

(English translation)

No. BGRIM 17/2563

17 September 2020

Subject: Information Memorandum on Asset Acquisition from Investment in the Development of 7 Combined Cycle Cogeneration Plants

To: President
The Stock Exchange of Thailand

Reference: The Notification No. BGRIM 16/2563 dated 31 August 2020 Re: the readiness for development of 7 combined cycle cogeneration power plants as planned

B.Grimm Power Public Company Limited ("**B.Grimm Power**") would like to inform that B.Grimm Power intends to invest in the development of Combined Cycle Cogeneration Plants for the small power producers (the "**SPP**"), totalling 7 SPP projects, consisting of the construction of 5 new SPP projects for the replacement of existing power plants for the renewal of existing power purchase agreements and the construction of 2 SPP projects for the relocation of existing power plants, through 6 subsidiaries of B.Grimm Power as follows:

- (1) B.Grimm Power (Ratchaburi) 1 Limited ("**BGPR1**") for the operation of 1 SPP project;
- (2) B.Grimm Power (Ratchaburi) 2 Limited ("**BGPR2**") for the operation of 1 SPP project;
- (3) Amata B.Grimm Power 1 Limited ("**ABP1R**") for the operation of 1 SPP project;
- (4) Amata B.Grimm Power 2 Limited ("**ABP2R**") for the operation of 1 SPP project;
- (5) B.Grimm Power (Laem Chabang) 1 Limited ("**BPLC1R**") for the operation of 1 SPP project; and
- (6) B.Grimm Power (AIE-MTP) Limited ("**BPAM**") (formerly known as Glow SPP 1 Company Limited) for the operation of 2 SPP projects,

(collectively, the "**Project Companies**"), with an approximate total capacity of 980 megawatts (the "**Transaction**") as detailed in the reference announcement regarding the execution of long-term Power Purchase Agreements with Electricity Generating Authority of Thailand ("**EGAT**") dated 31 August 2020.

The total investment value for the Transaction is approximately at THB 39,248 million. In this regard, the Project Companies shall enter into the Engineering Procurement and Construction Contracts (the "**EPC Contracts**") with Toshiba Plant Systems & Services Corporation and its subsidiaries ("**Toshiba Group**") and Long-Term Service Agreement of Gas Turbines (the "**LTSA Contracts**") with Siemens Limited and other relevant agreements.

The project investments are in accordance with B.Grimm Power's investment plan. These projects have received financial support by way of project financing from leading financial institutions. In additions, B.Grimm Power has maintained its solid financial position with cash on hand at approximately THB 19,000 million and operating cash flow for future project investment and development.

The Transaction constitutes an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, B.E. 2547 (2004) (as amended) (the "**Acquisition and Disposition Notifications**"). The transaction size of the Transaction is equivalent to 31.108 percent as calculated based on the total value of consideration criteria, which gives the highest transaction value. In this regard, B.Grimm Power does not have any foregoing acquisition transaction within the past 6 months prior to entering into this transaction.

Therefore, the Transaction is deemed as a class 2 transaction under the Acquisition and Disposition Notifications, i.e. a transaction with a transaction size at or more than 15 percent but less than 50 percent, which requires B.Grimm Power to disclose the information memorandum on the Transaction to the Stock Exchange of Thailand (the "**SET**") and send the circular notice to the shareholders of B.Grimm Power within 21 days from the date that such information has been disclosed to the SET with the information pursuant to the Acquisition and Disposition Notifications. B.Grimm Power, therefore, would like to disclose the information memorandum on the Transaction to the SET pursuant to the Acquisition and Disposition Notifications, as appeared in the attachment.

Please be informed accordingly.

Yours faithfully,

(Mrs. Preeyanart Soontornwata)

President

Information Memorandum on Asset Acquisition of B.Grimm Power Public Company Limited

B.Grimm Power would like to disclose the information memorandum on asset acquisition from the investment in the development of 7 Combined Cycle Cogeneration Plants as follows:

1. Date / Month / Year of the Transaction

The Project Companies shall enter into relevant agreements with respect to the Transaction, including but not limited to, the Power Purchase Agreements with EGAT. Consequently, the Project Companies shall proceed with the construction of the power plants with respect to the Transaction and expect the construction to be completed and the scheduled commercial operation date to take place within year 2023, pursuant to the resolution of the Board of Directors' Meeting No. 3/2020 dated 25 March 2020 and the resolution of the Board of Directors' Meeting No. 11/2020 dated 17 September 2020.

2. Contractual Parties and Relationship with B.Grimm Power

In order to proceed with this Transaction, each Project Company shall be the party to the following relevant agreements:

Agreement	Project(s)	Contractor / Seller / Lessor	Hirer / Purchaser / Lessee
1. EPC Contracts ¹	7 SPP projects	Toshiba Group	Project Companies
2. LTSA Contracts ²	7 SPP projects	Siemens Limited	Project Companies
3. Land Lease Agreements	BGPR1 and BGPR2	Park Industry Company Limited	BGPR1 and BGPR2
4. Land Sale and Purchase Agreements	ABP1R and ABP2R	Amata Corporation Public Company Limited	1. ABP1R (subsidiary of B.Grimm Power with 50.7 shareholding percentage) 2. ABP2R (subsidiary of B.Grimm Power with 51.2 shareholding percentage)
5. Agreement for the sale of lease rights in Laem Chabang Industrial Estate	BPLC1R	Thailon Techno Fiber Limited	BPLC1R

¹ For the entry into of EPC Contracts, each of the Project Companies shall be the party to EPC Contract with Toshiba Group separately.

² For the entry into of LTSA Contracts, each of the Project Companies shall be the party to LTSA Contracts with Siemens Limited separately.

Agreement	Project(s)	Contractor / Seller / Lessor	Hirer / Purchaser / Lessee
6. Land Lease Agreement for the operation of other business which is benefit and/or related to the business in Laem Chabang Industrial Estate	BPLC1R	Industrial Estate Authority of Thailand	BPLC1R
7. Land Sale and Purchase Agreements	BPAM1R and BPAM2R	Asia Industrial Estate Co., Ltd.	BPAM
8. Power Purchase Agreements	7 SPP projects	Project Companies	EGAT

In this regard, (1) Toshiba Group, (2) Siemens Limited, (3) Park Industry Company Limited, (4) Amata Corporation Public Company Limited, (5) Thailon Techno Fiber Limited, (6) Industrial Estate Authority of Thailand, (7) Asia Industrial Estate Co., Ltd., and (8) EGAT are not connected persons of B.Grimm Power pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions.

3. General Characteristics and Size of the Transaction

3.1. General Characteristics of the Transaction

B.Grimm Power will invest in the construction of Combined Cycle Cogeneration Plants for the small power plant, totalling 7 SPP projects, comprising of:

- (1) The construction of new 5 SPP projects to replace the existing power plants for renewal of power purchase agreements located nearby; and
- (2) The construction for 2 new SPP projects which are the relocation of existing power plants from Ratchaburi province to Ang Thong province.

The total investment value of the Transaction is approximately at THB 39,248 million and having transaction size of the Transaction equivalent to 31.108 percent as calculated based on the total value of consideration criteria which gives the highest transaction value.

In this regard, a summary of material information for the business operation of 7 SPP projects are detailed as follows:

Summary of material information for the business operation of 7 SPP projects

Project	BGPR1	BGPR2	ABP1R	ABP2R	BPLC1R	BPAM1R	BPAM2R
Business Operation	Produce and sell electricity and steam power (cogeneration system)						
Location	World Food Valley Thailand Industrial Estate	Amata City Chonburi Industrial Estate		Laem Chabang Industrial Estate	Asia Industrial Estate		
Purchaser / Term of Power Purchase Agreements (PPA)	EGAT / 25 years						
	Industrial User (IU) / specific period as stated in each PPA with IU						
Seller	BGPR1	BGPR2	ABP1R	ABP2R	BPLC1R	BPAM	
Province	Ang Thong		Chonburi			Rayong	
Estimated total installed power capacity per project	140 megawatts (where 90 megawatts will be sold to EGAT and the remaining will be sold to IU)		140 megawatts (where 30 megawatts will be sold to EGAT and the remaining will be sold to IU)				
Estimated installed power capacity per ownership percentage	140	140	71	72	140	105	105
Estimated installed steam capacity	30 tons per hour						
Benefits from BOI Certificate	Rights for exemption of corporate income tax for the net profits from operations for the period of 4 years commencing from the commercial operation date						
Scheduled Commercial Operation Date (SCOD)	Between 2022 and 2023						

EPC Contracts

Each of the Project Companies shall be the party to the respective EPC Contract with Toshiba Group for the construction of each power plant in the respective SPP project. Each of the Project Companies will pay the compensation for such services in fixed-price turnkey date-certain.

LTSA Contracts

Each of the Project Companies shall be the party to the respective LTSA Contract with Siemens Limited for the maintenance and procurement of long-term spares for gas turbine generators services with respect to each respective SPP project for the contract period and maintenance conditions stipulated in the respective agreements.

Agreements relating to Lands

- (1) BGPR1 and BGPR2, the subsidiaries of B.Grimm Power, have entered into the Land Lease Agreements with Park Industry Company Limited for the lease of land plots in World Food Valley Thailand Industrial Estate with approximate area of 80 Rais for the construction of BGPR1 and BGPR2 SPP projects, with the lease terms covered throughout operating period of the project.
- (2) ABPR1R and ABP2R, the subsidiaries of B.Grimm Power, have entered into the Land Sale and Purchase Agreements with Amata Corporation Public Company Limited for the purchase of land plots in Amata City Chonburi Industrial Estate with approximate area of 30.061 Rais for the construction of ABP1R and ABP2R SPP projects;
- (3) BPLC1R, the subsidiary of B.Grimm Power, has entered into the Agreement for the sale and purchase of lease rights in Laem Chabang Industrial Estate with Thailon Techno Fiber Limited and the Land Lease Agreement for the operation of other business which is benefit and/or related to the business in Laem Chabang Industrial Estate with the Industrial Estate Authority of Thailand for the procurement of rights to lease the plots of land in Laem Chabang Industrial Estate with approximate area of 15 Rais 1 Ngan and 18.8 Tarang Wah for the construction of BPLC1R SPP project, with the lease terms covered throughout operating period of the project and;
- (4) BPAM, the subsidiary of B.Grimm Power, has entered into the Land Sale and Purchase Agreements with Asia Industrial Estate Co., Ltd. for the purchase of land plots in Asia Industrial Estate with approximate area of 30 Rais 1 Ngan 65.1 Tarang Wah for the construction of BPAM1R and BPAM2R SPP projects.

3.2. Calculation of the Transaction Size according to the Acquisition and Disposition Notifications

Calculation Criteria	Calculation Formula	Transaction Size
1. Net tangible asset value (NTA)	NTA of investment in the company x the acquired portion x 100 / NTA of the listed company	N/A
2. Net profit	Net profit from the operating result of acquired or disposed company x the acquired portion x 100 / net profit of the listed company	N/A
3. Total value of consideration ⁽¹⁾	Total value of consideration x 100 / total assets of the listed company = 39,248 x 100 / 126,166.74	31.108
4. Value of equity issued	Equity shares issued for the payment of assets x 100 / paid-up shares of the listed company	N/A

Remark: ⁽¹⁾ The Transaction size was calculated based on the reviewed consolidated financial statement of B.Grimm Power for the period ended 30 June 2020

The Transaction constitutes an acquisition of assets pursuant to the Acquisition and Disposition Notifications in which the transaction size calculated based on the total value of consideration criteria gives the highest transaction value, which is equivalent to 31.108 percent. In this regard, B.Grimm Power does not have any foregoing acquisition transaction within the past 6 months prior to entering into this transaction. Therefore, the Transaction is deemed a class 2 transaction under the Acquisition and Disposition Notifications, i.e. a transaction with a transaction size at or more than 15 percent but less than 50 percent. B.Grimm Power, therefore, is required to disclose the information memorandum on the Transaction to the SET and send the circular notice to the shareholders of B.Grimm Power within 21 days from the date that the such information has been disclosed to the SET.

4. Details on Acquired Assets

- (1) 140 megawatts Cogeneration Power Plant and lease rights to use plots of land as the location of BGPR1 and BGPR2 SPP projects, with approximate area of 80 Rais in World Food Valley Thailand Industrial Estate, Ang Thong Province;
- (2) 140 megawatts Cogeneration Power Plant and plots of land used as the location of ABPR1R and ABP2R SPP projects, with approximate area of 30.061 Rais in Amata City Chonburi Industrial, Chonburi Province;
- (3) 140 megawatts Cogeneration Power Plant and lease rights from the Industrial Estate Authority of Thailand to use land as the location of BPLC1R SPP project, with approximate area of 15 Rais 1 Ngan and 18.8 Tarang Wah in Laem Chabang Industrial Estate; and

- (4) 140 megawatts Cogeneration Power Plant and plots of land used as the location of BPAM1R and BPAM2R SPP projects, with approximate area of 30 Rais 1 Ngan 65.1 Tarang Wah in Asia Industrial Estate.

With respect to the above, in summary, the assets of each SPP project consist of systems and equipment such as power transmission system and equipment, inverter, control and data collection system, electrification system. Details of each SPP project are appeared in “summary of material information for the business operation of 7 SPP projects” in item no. 3.1 General Characteristics of the Transaction in this document.

5. Total value of Consideration and Conditions of Payment

5.1 Total Value of Consideration

The total value of consideration for 7 SPP projects under the Transaction is approximately at THB 39,248 million (Thirty-Nine Thousand Two Hundred and Forty-Eight Million Baht).

5.2 Conditions of Payment for the Construction and Maintenance of Machines and Equipment

- (1) EPC Contracts between the Project Companies and Toshiba Group

Each of the Project Companies will pay the consideration to Toshiba Group in installments based on the completion of works pursuant to the conditions and terms determined in the agreements.

- (2) LTSA Contracts between the Project Companies and Siemens Limited

Each of the Project Companies will pay the consideration for the maintenance of machines and equipment in accordance with conditions and terms specified in the agreements.

6. Basis Used to Determine the Value of Consideration

The basis used to determine the value of consideration for the Transaction is determined from the bid offer and actual expenses, in which the total value of consideration for the Transaction is mutually agreed between B.Grimm Power, the Project Companies, and relevant parties with approximate at THB 39,248 million referred to the construction price offered by the EPC contractors, the maintenance and procurement of long-term spares for gas turbine generators price offered by Siemens Limited, land lease rate and other relevant expenses.

7. Total Value of Acquired Assets

The total value of acquired assets was calculated based on the total value of the Transaction, which is approximately at THB 39,248 million (Thirty-Nine Thousand Two Hundred and Forty-Eight Million Baht).

8. Expected Benefits for B.Grimm Power

B.Grimm Power considered that the Transaction will benefit B.Grimm Power and its shareholders since the construction of new 5 SPP projects is in accordance with the conditions under the execution of power purchase agreements with EGAT, totalling 150 megawatts for the period of 25 years and the other 2 SPP projects are the new projects under power purchase agreements of totalling 180 megawatts to EGAT for the period of 25 years. The remaining electric power will be sold to industrial users which will generate a certain level of income, including regular and consistent profits to B.Grimm Power constantly. This will enable B.Grimm Power to pay dividend to the shareholders regularly.

9. Source of Fund

B.Grimm Power will use cash flow within the group companies as a partial fund and will use loan from financial institutions. In this regard, the aforesaid loan does not affect the ability to make dividend payment to the shareholders of B.Grimm Power.

10. Directors Having an Interest and/or Being a Connected Person who Does Not Vote for This Transaction

There is no director of B.Grimm Power having an interest and/or being a connected person in the entry into the Transaction.

11. Opinion of the Board of Directors

The Board of Directors opined that the Transaction is reasonable and utmost beneficial to B.Grimm Power and its shareholders. The entry into the Transaction will constitute incomes, including certain and long-term profits for B.Grimm Power. It is expected that B.Grimm Power will be able to make dividend payment to the shareholders.

In addition, the Board of Directors viewed the investment value of the Transaction is a reasonable price and counterparties in the Transaction are reliable, experienced and used to be business partners of B.Grimm Power.

12. Opinion of the Audit Committee and/or any Director Which is Different from the Board of Directors' Opinion

There is no opinion from the Audit Committee and/or the directors different from that of the Board of Directors.

Information pursuant to item no. 2, 3, 5(3), 7, and 8 of Schedule (2) of 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 Disposition of Assets, B.E. 2547 (2004) (as amended)

13. Responsibility of the Board of Directors on the Information in the Documents Sent to the Shareholders

The Board of Directors has responsibility for the information in this Information Memorandum and other documents sent to the shareholders of B.Grimm Power (the “**Documents**”). In this regard, the Board of Directors has carefully reviewed the information in the Documents and hereby certify that the Documents is accurate, complete and contains, no false information; no material facts which are necessary or must be included in the Information Memorandum have been omitted; and the Information Memorandum does not contain any misleading information which may cause misunderstanding.

14. Financial Projections in the Present Year (if any), including Assumptions on Trade, Economics, Industry and Review of the Figures by a Certified Public Auditor and the Opinion of an Independent Financial Advisor that the Projections have been Carefully Prepared

-None-

15. Pending Material Litigation Cases or Claims

-None-

16. Interests or Connected Transactions between B.Grimm Power and Directors, Management and Shareholders Directly or Indirectly Holding Shares Amounting to 10 Percent or More

-None-