

AC-0-2112139

December 21, 2021

Subject: Report on the Information Memorandum Regarding the Connected Transaction
Concerning the Entering into Credit Facility Agreement

To: President of the Stock Exchange of Thailand

According to the Meeting of the Board of Directors of Thai Energy Storage Technology Public Company Limited (3K-BAT) (the “Company”) No. 5/2021 held on December 20, 2021, has resolved to approve the Company to enter into the Credit Facility Agreement with Sustainable Battery Solutions, Inc., the Company’s major shareholder by holding directly and indirectly 97.91 percent of the total issued and paid-up shares of the Company, who is categorized as a connected person under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction dated August 31, 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 Connected Transactions, dated November 19, 2003. The Company, therefore, would like to inform the Stock Exchange of Thailand (“SET”) with the following details:

Approval of the entering into the Credit Facility Agreement between the Company as Borrower and Sustainable Battery Solutions, Inc., as Lender with the Loan value in the amount of 725,000,000 Baht and interest rate 2.50 per annum. The total interest is in the amount of million 60.68 Baht, which falls under the Transaction Category 4 of the Notification of the SET regarding the Disclosure of Information and Other Acts of Listed Companies concerning the Connected Transactions. The transaction size is equal to 2.82 percent of the Net Tangible Assets of the Company (“NTA”) based on the highest remuneration. Therefore, this transaction size is considered to be larger than 0.03 percent but less than 3.00 percent of the Company's

NTA according to the latest consolidated financial statements of the Company as of September 30, 2021.

The transaction's details are as specified in the enclosure.

Please be informed accordingly.

Yours sincerely,

Mr. Akihiko Emori

Chief Executive Officer

Information Memorandum regarding the Connected Transaction

Credit Facility Agreement

According to Board of Directors Meeting of Thai Energy Storage Technology Public Company Limited (3K-BAT) (“Company”) No. 5/2021 on 20th December 2021 passed a resolution for entering into the Credit Facility Agreement between “3K-BAT” and Sustainable Battery Solutions, Inc. the Company’s major shareholder by holding directly and indirectly 97.91 percent of the total issued and paid-up shares of the Company, whereby the Company will have to pay interest under the Credit Facility Agreement in the amount of million 60.68 Baht

Therefore, the entering into Credit Facility Agreement is considered as a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction dated August 31, 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 Connected Transactions, dated November 19, 2003. The material details of the transaction are as follows:

1. Transaction Date:

from 21 December 2021 to 31 May 2029

2. Details of Connected Person and Relationship

Lender: Sustainable Battery Solutions, Inc.

Borrower: Thai Energy Storage Technology Public company Limited (3K-BAT)
 (“Company”)

Relationship: Sustainable Battery Solutions, Inc., the Company’s major shareholder by holding 40,631,913 ordinary shares or approximately 51.83% of the total issued and paid-up shares of the Company and holding 100 % of the total issued and paid-up shares of the Siam Magi.

Siam Magi Co.,Ltd. holding 36,123,223 ordinary shares or approximately
46.08 % of the total issued and paid-up shares of the Company

Name of Shareholders		Shareholding Proportion (Percentage)
1.	Sustainable Battery Solutions, Inc.	51.83
2.	Siam Magi Co.,Ltd *	46.08

* Related parties under Section 258

3. General Features of Transaction

3K-BAT to enter into the Credit Facility Agreement with Sustainable Battery Solutions, Inc. the conditions set out below

- (1) Commitment Amount: 725 million baht
- (2) Commitment Term: from 21 December 2021 to 31 May 2029
- (3) Purpose of Loan: Purpose of Loan set out in the Drawdown Request for working capital
- (4) Loan Period: The period from the drawdown date of the Individual Loan to the Repayment Date
- (5) Repayment Date: The date set out in the Drawdown Request, provided that the date shall be the business day in the Commitment Term
- (6) Principal Repayment Method: The Principal Repayment Method set out in the Drawdown Request
- (7) Interest Rate: The applicable interest rate set out in the Drawdown Request; provided, however, that the applicable interest rate shall not exceed 2.5% per annum
- (8) Interest Payment Date: The date set out in the Drawdown Request
- (9) Interest Period: The Period from the last Interest Payment Date (in the case of first Interest Payment Date, the Drawdown Date) to the immediately following Interest Payment Date

Benefit for liquidity management

- Increase operation efficiency

There is a reduction in time and steps in lending and borrowing. The Company has no obligation to deposit assets as collateral for the loan like a general commercial bank.

- Reduce risk of cash shortages

The company does not have a risk of calling for loan repayment immediately that caused by lacking liquidity

- Lower Interest rate

When compared to general commercial banks, the company received lower loan rate

4. Total Value of Consideration, Basis used to determine the Consideration Value

4.1 Total value of consideration: Interest expense million 60.68 Baht

Date	principal amount (TBH)	interest amount (TBH)
24 12 21	725,000,000	
31 03 22	695,588,235	4,816,781
30 09 22	636,764,706	8,718,674
31 03 23	577,941,176	7,937,752
30 09 23	519,117,647	7,244,057
31 03 24	460,294,118	6,506,749
30 09 24	401,470,588	5,769,440
31 03 25	342,647,059	5,004,633
30 09 25	283,823,529	4,294,823
31 03 26	225,000,000	3,538,074
30 09 26	166,176,471	2,820,205
31 03 27	107,352,941	2,071,515
30 09 27	48,529,412	1,345,588
31 03 28	0	608,280
	Total Interest Amount	60,676,571

4.2 Size of transaction: It is considered as the Transaction Category 4 of the Notification of the Stock Exchange of Thailand ("SET") regarding the Disclosure of Information and Other Acts of Listed Companies concerning the Connected Transactions which required the approval from the Board of Directors Meeting and to disclose the information of the transaction to the SET

4.3 Criteria to determine size of the transaction The value of remuneration under the Credit Facility Agreement is interest expense in the amount of million 60.68 Baht, [there is no other connected related transaction with 3K-BAT or its related parties or close relatives of such persons during the six months](#), compared to the Net Tangible Assets of the Company ("NTA") at the amount of THB 2,153 million, equaling to 2.82 percent (based on the Company's financial statements as of September 30, 2021)

Transaction size calculation

Extracted financial information are summarized as follows:

Financial information	Amount (Million Baht)
Total Assets	3,916
Less Intangible assets	40
Less Total liabilities	1,717
Less Non-controlling interest	6
Net Tangible Assets (NTA)	2,153

$$\begin{aligned}
&= \text{Total value of Interest / NTA of the listed company} \\
&= 60.68 / 2,153 \\
&= 2.82 \%
\end{aligned}$$

5. Characteristics of the Interest of the Connected Person in the Transaction:

This transaction size is the connected transaction between the Company and the Company's major shareholder which is considered as a connected transaction based on the service transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction dated August 31, 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 Connected Transactions, dated November 19, 2003.

Therefore, based on the related rules and regulations, this transaction size is considered to be larger than 0.03 percent but less than 3.00 percent of the Company's NTA according to the latest consolidated financial statements of the Company as of September 30, 2021, the Company is required to get the approval from the Board of Director Meeting and to disclose the information of the transaction to the SET

6. Names of the Company's directors who have interest

There were 9 directors attended the Board of Directors Meeting No. 5/2021 held on December 20, 2021 and constituted a quorum. The list of directors who participated the meeting showing as below:

No	Name of Director	Voting	Shareholding (%)
1	Mr. Masato Yoshida	✗	0.00%
2	Mr. Akihiko Emori	✗	0.00%
3	Mr. Masakatsu Suzuki	✗	0.00%
4	Mr. Yoshitaka Nibe	✗	0.00%
5	Mr. Tamotsu Sakata	✗	0.00%
6	Mr. Takahiro Tomiyama	✓	0.00%
7	Mr. Nonthapol Nimsomboon	✓	0.00%

8	Mr. Suchat Chanlawong	✓	0.00%
9	Mr. Apichai Chawacharoenphan	✓	0.00%

✗ The directors who have interest attended the meeting but did not cast their votes for such agenda.

7. Opinion of the Board of directors:

The Board of Directors has an opinion that the entering into the aforementioned transaction is reasonable based on the management efficiency, including cost reduction of the company which is beneficial to the Company.

8. Opinion of the Audit Committee

The same opinions.