



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

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TSE(PCL)004/12-2023

27 December 2023

Subject: Disposal of membership interest in PurpleSol G.K. and cessation of being a subsidiary

To: The President

The Stock Exchange of Thailand

Attachment 1. Information memorandum of asset disposal of (Schedule 1) re disposal of membership interest in PurpleSol G.K.

The Board of Directors' Meeting of Thai Solar Energy Public Company Limited (the "Company") held on 29 November 2023¹ has considered and resolved to approve that Onikoube Solar Power PTE. LTD. ("OSP") (a subsidiary of the Company) disposes its 100% membership interest in PurpleSol G.K. ("PPS") (a subsidiary of the Company) which operates a solar power plant in Japan having offering capacity of 133.63 MW ("Project Onikoube") to Amun Godo Kaisha ("Amun GK") which is not a connected person of the Company. The value of disposal is JPY 13,915 million or THB 3,434 million (weighted-average interbank exchange rate as at 26 December 2023: JPY 1: THB 0.2468) ("PPS Membership Interest Disposal Transaction"). In addition, the Board of Directors' Meeting has resolved to approve the authorization to the Chief Executive Officer or the Executive Committee to proceed with the disposal transaction, having the authority to execute the agreement, consider any conditions and proceed with any required follow-up actions under relevant agreements, including executing agreements or any other necessary and relevant documents until completion. In this regard, the PPS Membership Interest Disposal Transaction has been completed on 27 December 2023 and results in PPS no longer being a subsidiary of the Company.

The PPS Membership Interest Disposal Transaction is regarded as a disposal 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, B.E.2551 (2008) (as amended) 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) (collectively referred to as ("Notification re Acquisition and Disposal of Assets"). The highest transaction size is 25.05%, according to net operating profits method of which calculation is based on the reviewed consolidated financial statements as at 30 September 2023 and other calculations under the Notification re Acquisition and

¹ As at the Board of Director's Meeting on 29 November 2023, the Company is in the process of proceeding with fulfilling conditions precedent under the Agreement for the Sale of the GK Membership Interest. As such, disposal of assets above are still uncertain. If the related information be disclosed immediately, it might affect the value of the Company's securities and investor decisions. Therefore, the Company hereby discloses the information when the Company has duly completed the transaction.



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Disposal of Assets. In this regard, the company had no asset disposal within the past 6 months before the transaction.

Therefore, the PPS Membership Interest Disposal Transaction is regarded as a class-2 transaction pursuant to the Notification re Acquisition and Disposal of Assets, having the transaction size of 15% or more but less than 50%.

Respectively, the Company must comply with the Notification re Acquisition and Disposal of Assets, including to comply with the duty to disclose Information Memorandum to the Stock Exchange of Thailand, having information of at least as prescribed in the Schedule 1 of the Notification re Acquisition and Disposal of Assets as detailed in the Attachment 1. and to circulate the notification letter to the shareholders of the Company within 21 days from the date of transaction information disclosure to the Stock Exchange of Thailand.

The PPS Membership Interest Disposal Transaction is not considered a connected transaction of the Company pursuant to Notification of the Capital Market Supervisory Board No. TorChor 21/2551 Rules on Connected Transactions (as amended) and 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, B.E. 2546 (2003)

Please be informed accordingly.

Yours sincerely

- *Singed* -

(Mr. Somphop Prompanapitak)

Chief Operating Officer

Contacting Supporting Office Department

Tel. 02-258 4530 - 3 # 2401, 2404

Information memorandum of asset disposal of (Schedule 1)
re disposal of membership interest in PurpleSol G.K.

The Board of Directors' Meeting of Thai Solar Energy Public Company Limited (the "Company") held on 29 November 2023 has approved that Onikoube Solar Power PTE. LTD. ("OSP") (a subsidiary of the Company) disposes its 100% membership interest in PurpleSol G.K. ("PPS") (a subsidiary of the Company) which operates a solar power plant in Japan having offering capacity of 133.63 MW ("Project Onikoube") to Amun Godo Kaisha ("Amun GK") which is not a connected person of the Company. The value of disposal is JPY 13,915 million or THB 3,434 million (weighted-average interbank exchange rate as at 26 December 2023: JPY 1: THB 0.2468) ("PPS Membership Interest Disposal Transaction"). In addition, the Board of Directors' Meeting has resolved to approve the authorization to the Chief Executive Officer or the Executive Committee to proceed with the disposal transaction, having the authority to execute the agreement, consider any conditions and proceed with any required follow-up actions under relevant agreements, including executing agreements or any other necessary and relevant documents until completion. In this regard, the PPS Membership Interest Disposal Transaction has been completed 27 December 2023 and results in PPS no longer being a subsidiary of the Company.

The PPS Membership Interest Disposal Transaction is regarded as a disposal 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, B.E.2551 (2008) (as amended) 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) (collectively referred to as "Notification re Acquisition and Disposal of Assets"). The highest transaction size is 25.05%, according to net operating profits method of which calculation is based on the reviewed consolidated financial statements as at 30 September 2023 and other calculations under the Notification re Acquisition and Disposal of Assets. In this regard, the company had no asset disposal within the past 6 months before the transaction.

Therefore, the PPS Membership Interest Disposal Transaction is regarded as a class-2 transaction pursuant to the Notification re Acquisition and Disposal of Assets, having the transaction size of 15% or more but less than 50%.

Respectively, the Company must comply with the Notification re Acquisition and Disposal of Assets, including to comply with the duty to disclose Information Memorandum to the Stock Exchange of Thailand, having information of at least as prescribed in the Schedule 1 of the Notification re Acquisition and Disposal of

Assets as detailed in [the Attachment 1](#), and to circulate the notification letter to the shareholders of the Company within 21 days from the date of transaction information disclosure to the Stock Exchange of Thailand.

Additionally, the PPS Membership Interest Disposal Transaction is not considered a connected transaction of the Company pursuant to Notification of the Capital Market Supervisory Board No. TorChor 21/2551 Rules on Connected Transactions (as amended) and 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, B.E. 2546 (2003)(collectively referred to as “**Notifications re Connected Transactions**”)

The details of the transaction as required in the Notification re Acquisition and Disposal of Assets shall be as per below.

1. Date of the transaction

The Company disposes all of the membership interest in PPS to Amun GK on 27 December 2023

2. Involved parties and relationship with the listed company

Seller : OSP (Subsidiary of the Company)
Buyer : Amun GK
Relationship between parties : The seller and the buyer have no relationship which may cause the PPS Membership Interest Disposal Transaction to be a connected transaction pursuant to the Notifications re Connected Transactions

3. General characteristics and size of the transaction

3.1 General characteristics of the transaction

OSP, a subsidiary of the Company, disposes its 100% membership interest in PPS, another subsidiary of the Company which operates a solar power plant in Japan having offering capacity of 133.63 MW to Amun GK which is not a connected person of the Company of which the value of disposal JPY 13,915 million or THB 3,434 million (weighted-average interbank exchange rate as at 26 December 2023: JPY 1: THB 0.2468) (“PPS Membership Interest Disposal Transaction”). In this regard, the PPS Membership Interest Disposal Transaction results in PPS no longer being a subsidiary of the Company.

3.2 Size of the transaction according to the criteria of Notification re Acquisition and Disposal of Assets

Pursuant to the Notifications on Acquisition or Disposal, the Transaction is considered to be a disposal of assets with the highest transaction size of 25.05% according to net income approach based on reviewed financial statements as of 30 September 2023. Details of the calculation is as follows:

Approaches	Formula	Transaction Size
1. Net Tangible Asset (NTA) Approach	$\frac{\text{PPS's NTA} \times \text{proportion to be disposed}}{\text{The Company's NTA}} \times 100$ $= \frac{\text{THB 1,353 million} \times 100\% \times 100}{\text{THB 6,269 million}}$	21.58%
2. Net Income Approach	$\frac{\text{PPS's net income} \times \text{proportion to be disposed}}{\text{The Company's net income}} \times 100$ $= \frac{\text{THB 150 million} \times 100\% \times 100}{\text{THB 599 million}}$	25.05%
3. Total value of consideration approach	$\frac{\text{Total value of consideration}}{\text{Total assets of the Company}} \times 100$ $= \frac{\text{THB 4,407}^1 \text{ million} \times 100}{\text{THB 21,505 million}}$	20.49%
4. Value of Securities issued by the Company as consideration for the assets acquired approach	$\frac{\text{Number of securities issued}}{\text{Number of issued and paid-up shares of the Company}} \times 100$	N/A ²
Highest transaction size	Net income approach	25.1%

Remark: ¹ Calculated based on book value of PPS which is a higher value from comparison between total value of consideration and book value according to an assets disposal regulation

² Cannot be calculated since the Company did not issue any securities in return of the acquisition of assets

The Company has no other disposal of assets transaction during the past 6 months prior to the transaction date. Hence, the Transaction is considered as a Class 2 transaction under the Notification on Acquisition or Disposal with the transaction size of equal to or exceed 15% but not higher than 50%

Respectively, the Company must comply with the Notification re Acquisition and Disposal of Assets, including to comply with the duty to disclose Information Memorandum to the Stock Exchange of Thailand, having information of at least as prescribed in the Schedule 1 of the Notification re Acquisition and Disposal of

Assets as detailed in [the Attachment 1](#), and to circulate the notification letter to the shareholders of the Company within 21 days from the date of transaction information disclosure to the Stock Exchange of Thailand.

4. General information of the disposed asset

4.1 General information of PPS

The Company has entered into PPS Membership Interest Disposal Transaction (via OSP, a subsidiary of the Company). PPS has general information as per below.

Entity name	: PurpleSol G.K.
Incorporation date	: 23 April 2013
Type of business	: Business of solar power plant in Japan having offering capacity of 133.63 MW
Address	: 15-1 Kamurodake, Onikoube, Naruko Onsen, Osaki-city Miyagi-Prefecture
Registered capital	: JPY 4,022,930,000
Paid-up capital	: JPY 4,022,930,000
Investment ratio before disposal	: 100 %
Investment ratio after disposal	: 0%, resulting in PPS ceasing to be a subsidiary of the Company

Director of PPS

Name of director	Position
Mr. Somphop Prompanapitak	Director

Name of investor in PPS before and after the transaction

Investor	Before transaction		After transaction	
	Investment amount	%	Investment amount	%
1. OSP	JPY 4,022,930,000	100	-	-
2. Amun GK	-	-	JPY 4,022,930,000	100
Total	JPY 4,022,930,000	100	JPY 4,022,930,000	100

4.2 Type of business

PPS operates solar power plant in Japan having offering capacity of 133.63 MW.

4.3 Summary of key financial information of PPS (Unit: JPY million)

Financial Information	2021	2022
Total assets	21,352	32,159
Total liabilities	19,714	28,244
Total shareholders' equity	1,638	3,914
Total revenue	-	5
Total expenses	(195)	(271)
Net Profit (loss)	(195)	(266)

Remarks: Reference is made to the consolidated audited financial statements of PPS for the year ending 31 December 2021 and 2022.

5. Value of consideration and payment method

The total value of the transaction is equal to JPY 13,915 million or THB 3,434 million (weighted-average interbank exchange rate as at 26 December 2023: JPY 1: THB 0.2468). The payment method shall be in accordance with the terms and conditions under in the Agreement for the Sale of the GK Membership Interest and/or any other relevant agreement

6. Value of disposed assets and criteria of determination of consideration

The total value of consideration was in accordance with the negotiations and agreement between the Parties based on Discounted Cash Flow (DCF) approach. This is the most widely used approach for determining the value of companies engaging in the business operations of PPS.

7. Factors that affect the Company prior to the transaction

7.1 Change in regulatory framework in Japan

In 2018, Ministry of Economy, Trade and Industry (“METI”), the authority supervising operation of power plants in Japan, issued a notification requiring any power plant having offering capacity of 2 MW or more being granted with approval during 2012 – 2014 and being developing and not ready to operate (e.g. Project Onikoube having the electricity selling price rate of JPY 36 per unit) to submit the document detailing the project within September 2019 in order to be eligible to sell electricity at the existing selling price rate; otherwise, the selling price rate will be reduced to JPY 21 per unit.

As a result of the abovementioned notification of METI, the Company is required to change the construction plan of the power plant of the Project Onikoube by significantly reducing the area of construction to avoid cutting tree which may takes longer time in order to get required approvals. Therefore, the Project

Onikoube's offering capacity is reduced from 154.98 MW to 133.63 MW and its efficiency in generating electricity significantly reduced due to the overlapped installation of solar cells in limited spaces.

From the above factors, the Project Onikoube has construction costs higher than other projects as, in 2017, TSE has acquired Project Onikoube and surrounding land for construction of power plant having offering capacity of 154.98 MW. In addition, efficiency in generating electricity of the Project Onikoube is comparatively lower than general projects due to limitation in installing solar cells in limited spaces.

7.2 Depreciation of Japan Yen

Japanese yen has been depreciated due to economic crisis in Japan, especially in 2023 where Japanese yen was at its lowest since last 20 years since Bank of Japan's interest rate policy was maintained at very low in order to escalate their economic situation. On the contrary, the US's Federal Reserve Board has been raising their interest rate which increase investors' demand of US dollar instead of Japanese yen, hence depreciate Japanese yen dramatically.

The Company has been investing in Onikoube project since 2017 until present which Japanese yen depreciated gradually. Summary of Japanese yen movement is as below.

Unit	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	26 Dec. 2023
THB/JPY	0.3210	0.2964	0.2885	0.2970	0.2952	0.2713	0.2468

8. Benefits of the Company expected from the transaction

The Company has more liquidity and more ability to repayment and will use the consideration as a working capital, including new investment in accordance with business expansion of the Company.

9. Plan for using money derived from the disposal of asset

The money derived from disposal of asset shall be used as a working capital of the Company and shall be used for repayment of loan with financial institutions, including investment in new projects in Thailand and abroad for generating more revenue and to be in accordance with business expansion plan of the Company.

10. Board of Directors' opinion

The Board of Directors has considered that entering into this transaction is beneficial to the Company and consequently the Company shall be able to use the money derived from this disposal of asset to expand opportunity in generating more consideration from investment in other project which can generate more profits to the Company and its shareholders.



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11. Opinion of Audit Committee and/or any director having different opinion from the directors of the Company

The Audit Committee and all of member has the same opinion as the Board of Directors.
