

No. 10000/024/2023

3 April 2023

Subject: Investment in Two Combined Cycle Gas Turbine Projects in the United States

Attention: Director and Manager
Stock Exchange of Thailand

Attachment: Information Memorandum on the Investment in Two Combined Cycle Gas Turbine Projects in the United States

BCPG Public Company Limited (the “**Company**”) would like to notify you that the Board of Directors Meeting no. 2/2023 dated 20 February 2023 has resolved to approve the Company to invest in combined cycle gas turbine projects in the United States. Subsequently on 31 March 2023, BCPG USA Inc., a subsidiary of the Company, has entered into the Purchase and Sale Agreement to purchase 25.00 percent of all shares in Hamilton Holdings II, LLC (the “**Target Company**”) from Franklin Power Holdings, LLC (the “**Seller**”) with an amount of not exceeding USD 260,000,000 (or equivalent to THB 8,919,300,000¹) which the Target Company holds 100.00 percent of shares in the projects as detailed below:

1) A combined cycle gas turbine project being Hamilton Liberty LLC (“**Liberty**”) with an installed capacity of 848 megawatts, which is located in Asylum County, Pennsylvania, United States. The installed capacity based on the Company’s shareholding proportion of 25.00 percent is equal to 212 megawatts;

2) A combined cycle gas turbine project being Hamilton Patriot LLC (“**Patriot**”) with an installed capacity of 857 megawatts, which is located in Clinton County, Pennsylvania, United States. The installed capacity based on the Company’s shareholding proportion of 25.00 percent is equal to 214 megawatts.

This investment will result in the Company acquiring the installed capacity of totaling 426 megawatts.

(Referred to as the “**Share Purchase Transaction**”)

The transaction is considered as an asset acquisition transaction according to the Notification of the Capital Market Supervisory Board No. Tor Jor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (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 the “**Criteria for Acquisition and Disposal of Assets**”). The highest transaction size is 17.60 percent pursuant to the Net Tangible Asset Value Basis which is calculated from the Target Company’s Net Tangible Asset Value based on the acquired portion compared to the Company’s Net Tangible Asset Value and comparatively calculated based on the Target Company’s consolidated financial statements ended as of 31 December 2021 and the

¹ Calculated from the exchange rate of THB 34.305 per US dollar as announced on 27 March 2023 by the Bank of Thailand

(Translation)



Company's consolidated financial statements ended as of 31 December 2022. In addition, after calculating with other asset acquisition transactions of the Company in the past 6 months period, the asset acquisition transaction has the highest total transaction size which is equal to 38.39 percent, classified as a class 2 transaction with the transaction size equal to 15 percent or higher but lower than 50 percent pursuant to the Criteria for Acquisition and Disposal of Assets.

Please be informed accordingly.

Sincerely yours,

(Mr. Niwat Adirek)

Chief Executive Officer
and President

Office of Chief Executive Officer

Tel. 02-335-8902

**Information Memorandum on the Acquisition of Assets by BCPG Public Company Limited
Re: Investment in Two Combined Cycle Gas Turbine Projects in the United States**

The Board of Directors' Meeting no. 2/2023 held on 20 February 2023 of BCPG Public Company Limited (the "**Company**") has passed a resolution to approve the investment in two combined cycle gas turbine projects in the United States by purchasing 25.00 percent shares in Hamilton Holdings II, LLC (the "**Target Company**") from Franklin Power Holdings, LLC (the "**Seller**") with an amount of not exceeding USD 260,000,000 (or equivalent to THB 8,919,300,000²) which the Target Company holds 100.00 percent of shares in the projects as detailed below:

1) A combined cycle gas turbine project being Hamilton Liberty LLC ("**Liberty**") with an installed capacity of 848 megawatts, which is located in Asylum County, Pennsylvania, United States. The installed capacity based on the Company's shareholding proportion of 25.00 percent is equal to 212 megawatts;

2) A combined cycle gas turbine project being Hamilton Patriot LLC ("**Patriot**") with an installed capacity of 857 megawatts, which is located in Clinton County, Pennsylvania, United States. The installed capacity based on the Company's shareholding proportion of 25.00 percent is equal to 214 megawatts.

(Referred to as the "**Share Purchase Transaction**")

In this regard, the Company entered into the Purchase and Sale Agreement to enter into the Share Purchase Transaction with the Seller on 31 March 2023.

The Share Purchase Transaction is classified as an acquisition of assets. The size of the transaction is equivalent to 17.60 percent calculated from the Net Tangible Asset Value Basis and comparatively calculated from the Target Company's consolidated financial statements ended 31 December 2021 and the Company's financial statements ended 31 December 2022, which yields the largest transaction size measurement. Taking into consideration other acquisition transaction of the Company during the past six-month period, the highest total transaction size is equal to 38.39 percent. Therefore, the Share Purchase Transaction is classified as a class 2 transaction, being that the transaction size is equal to or higher than 15 percent but lower than 50 percent. Accordingly, the Company is required to proceed in accordance with the Notification of the Capital Market Supervisory Board No. Tor Jor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (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 the "**Criteria for Acquisition and Disposal of Assets**"). After entering into the transaction, the Company is required to prepare a report and disclose the details of the transaction to the Stock Exchange of Thailand, having the details specified in Appendix 1. Moreover, the Company is required to circulate the notification letter, having the details required by the Criteria for Acquisition and Disposal of Assets, to its shareholders within 21 days from the date of information disclosure to the Stock Exchange of Thailand.

The Company therefore would like to disclose the material details relating to such transaction as follows.

1. Date of Transaction

The Board of Directors' Meeting of the Company no. 2/2023 held on 20 February 2023 passed a resolution to approve the Share Purchase Transaction. Subsequently, the Company and the Seller reached a mutual agreement and entered into the Purchase and Sale Agreement with the Target Company, representing 25.00 percent of total shares as of 31 March 2023. It is expected that the conditions under the agreement, the transfer of shares, and the share consideration payment will be completed by the third quarter of 2023.

² Calculated from the exchange rate of THB 34.305 per US dollar as announced on 27 March 2023 by the Bank of Thailand

2. Involved Parties

Buyer: BCPG USA Inc., a subsidiary of the Company, which was established in the United States and 100.00 percent of shares held by the Company

Seller: Franklin Power Holdings, LLC
a registered company in the United States

The Seller has no relations and are not a related party to the Company and Bangchak Corporation Public Company Limited, which is the parent company of the Company.

3. General Characteristics, Type, and Size of the Share Purchase Transaction

3.1 General Characteristic of the Transaction

The purchase of shares in Hamilton Holdings II, LLC (the “**Target Company**”) from Franklin Power Holdings, LLC (the “**Seller**”) represents 25.00 percent of all shares, made with an amount of not exceeding USD 260,000,000 (or equivalent to THB 8,919,300,000³) which the Target Company holds 100.00 percent of shares in the projects as detailed below:

- 1) A combined cycle gas turbine project being Hamilton Liberty LLC (“**Liberty**”) with an installed capacity of 848 megawatts, which is located in Asylum County, Pennsylvania, United States. The installed capacity based on the Company’s shareholding proportion of 25.00 percent is equal to 212 megawatts;
- 2) A combined cycle gas turbine project being Hamilton Patriot LLC (“**Patriot**”) with an installed capacity of 857 megawatts, which is located in Clinton County, Pennsylvania, United States. The installed capacity s based on the Company’s shareholding proportion of 25.00 percent is equal to 214 megawatt.

The details of the shareholding structure after the Company has entered into the Share Purchase Transaction are as appeared in Appendix 1 of this information memorandum.

3.2 Type and Size of Transaction

The Share Purchase Transaction is classified as an asset acquisition transaction. The total value of the transaction is USD 260,000,000 (or equivalent to THB 8,919,300,000⁴).

Pursuant to the calculation under the Criteria for Acquisition and Disposal of Assets, the highest transaction size is 17.60 percent, calculated from the Net Tangible Asset Value Basis (based on the Target Company’s audited consolidated financial statements ended as of 31 December 2021 and the Company’s audited financial statement ended 31 December 2022). The details of the calculation are as follows:

No.	Criteria for Calculation of Transaction Size	Calculation Methodology	Transaction Size (percent)
1.	Net Tangible Asset Value (NTA)	$\frac{\text{Target Company's NTA} \times \text{acquired portion}}{\text{The Company's NTA}}$	17.60

³ Calculated from the exchange rate of THB 34.305 per US dollar as announced on 27 March 2023 by the Bank of Thailand

⁴ Calculated from the exchange rate of THB 34.305 per US dollar as announced on 27 March 2023 by the Bank of Thailand

No.	Criteria for Calculation of Transaction Size	Calculation Methodology	Transaction Size (percent)
2.	Net Profits	$\frac{\text{Target Company's Net Profits x acquired portion}}{\text{The Company's Net Profits}}$	(No calculation required as the Target Company had a net loss in 2021)
3.	Value of Total Consideration	$\frac{\text{Net value of acquired transaction}}{\text{The Company's total assets}}$	15.88
4.	Value of Issued Securities	-	(No calculation required as the Company purchases the shares in cash)

From the calculation above, the Share Purchase Transaction is classified as an acquisition of assets. The size of the transaction is 17.60 percent calculated from the Net Tangible Asset Value Basis. Calculating with other asset acquisition transactions of the Company during the past six-month period, the highest total transaction size is 38.39 percent. Therefore, the transaction is classified as a class 2 transaction, the value of which is equal to or higher than 15 percent but lower than 50 percent pursuant to the Criteria for Acquisition and Disposal of Assets. Accordingly, the Company is required to:

- (1) disclose the information memorandum relating to the transaction to the Stock Exchange of Thailand;
- (2) circulate the notification letter to its shareholders within 21 days from the date of information disclosure to the Stock Exchange of Thailand.

4. Details of Acquired Assets

4.1 Acquired Assets

Common shares being 25 percent of all shares in the Target Company

4.2 General Information of the Acquired Company

The Target Company is a registered company in Delaware, United States. The Target Company indirectly holds shares in the projects as detailed below:

- 1) The Target Company holds 100 percent shares in Liberty which is a company established in Delaware, United States. Liberty currently conducts a combined cycle gas turbine project which has an installed capacity of 848 megawatts. Such project is located in Asylum County, Pennsylvania, United States.
- 2) The Target Company holds 100 percent shares in Patriot which is a company established in Delaware, United States. Patriot currently conducts a combined cycle gas turbine project which has an installed capacity of 857 megawatts. Such project is located in Clinton County, Pennsylvania, United States.

4.3 Current General Information of the Target Company

Company Name	Hamilton Holdings II, LLC
Date of Incorporation	26 April 2019
Country of Incorporation	United States

Head Office Address	600 New Hampshire Road, Northwest Suite 1200, Washington, D.C. 20037
Type of Business	Holding Company
Details of Shareholders and their Shareholding Proportion	Group of Sellers: 100 percent

4.4 List of Shareholders of the Target Company before and after the Transaction

The list of shareholders of the Target Company before and after the transaction is as follows.

No.	Shareholders	Proportion of shareholding <u>before</u> the transaction (percent)	Proportion of shareholding <u>after</u> the transaction (percent)
1.	Seller's Group ⁵	100.00	75.00
2.	BCPG USA Inc.	0.00	25.00
Total		100.00	100.00

4.5 List of Board of Directors of the Target Company before and after the Transaction

The list of Board of Directors of the Target Company before and after the transaction is as follows.

No.	Directors' name <u>before</u> entering into the transaction	Directors' name <u>after</u> entering into the transaction
1.	Persons designated by the Seller's Group	1 person designated by the Company 3 persons designated by the Seller's Group

4.6 Business Overview

- 1) Liberty operates a combined cycle gas turbine plant with an installed capacity of 848 megawatts, located in Asylum County, Pennsylvania, United States. Its commercial operation to Pennsylvania-New Jersey-Maryland ("PJM") Energy Market commenced in July 2016.
- 2) Patriot operates a combined cycle gas turbine plant with an installed capacity of 857 megawatts, located in Clinton County, Pennsylvania, United States. Its commercial operation to PJM Energy Market commenced in July 2016.

⁵ Seller's Group consists of (1) Franklin Power Holdings, LLC holding 49.75 percent of shares, (2) Franklin Power Holdings II, LLC holding 0.50 percent of shares, and (3) Hamilton Intermediate Holdings, LLC holding 49.75 percent of shares, all of which have the same majority shareholder.

4.7 Key Financial Information of the Target Company

Consolidated Financial Status	Financial Statement Ended ⁽¹⁾			
	31 December 2020 (Audited)		31 December 2021 (Audited)	
	Million USD	Million THB ⁽²⁾	Million USD	Million THB ⁽²⁾
<i>Assets</i>				
Cash and cash equivalents	8.40	288.13	9.99	342.64
Lands, building, and equipment	1,459.08	50,053.64	1,447.76	49,665.24
Other assets	90.13	3,091.77	141.78	4,863.63
Total assets	1,557.60	53,433.54	1,599.52	54,871.50
<i>Liabilities</i>				
Loans	845.21	28,994.79	841.90	28,881.45
Other liabilities	104.80	3,595.03	170.56	5,850.96
Total liabilities	950.00	32,589.82	1,012.46	34,732.41
<i>Shareholders' equity</i>	607.60	20,843.72	587.06	20,139.09
Total shareholders' liability and equity	1,557.60	53,433.54	1,599.52	54,871.50

Consolidated Profit and Loss Statement	Financial Statement Ended ⁽¹⁾			
	31 December 2020 (Audited)		31 December 2021 (Audited)	
	Million USD	Million THB ⁽²⁾	Million USD	Million THB ⁽²⁾
Income	145.98	5,007.91	311.00	10,668.86
Operating expenses	134.32	4,607.85	272.85	9,359.98
Operating profit before finance cost, income tax, price depreciation, and amortization	33.88	1,162.15	83.70	2,871.40
Operating profit	11.66	400.06	38.15	1,308.87
Net Profit	13.91	477.22	(20.54)	(704.62)

Note:

- (1) The Target Company has acquired shares in Liberty and Patriot in 2020. The material financial information of the Target Company shows the audited financial statements for the accounting period ended 31 December 2020 and 31 December 2021. The Target Company is in the process of preparing financial statements for the accounting period ended 31 December 2022, which will be further audited by the Target Company's auditor.

- (2) Calculated from the exchange rate of THB 34.305 per US dollar as announced on 27 March 2023 by the Bank of Thailand

5. Total Consideration Value

The price of 25.00 percent of all shares in the Target Company is not exceeding USD 260,000,000 (or equivalent to THB 8,919,300,000⁶).

6. Value of Assets Acquired and to be Acquired

25.00 percent shares in the Target Company which indirectly holds 100 percent shares in Liberty and Patriot

7. Basis Used to Determine the Value of Consideration

The basis used to determine the value of consideration is the value agreed between the parties under the Purchase and Sale Agreement with reference to the Discounted Cash Flow Valuation basis.

8. Expected Benefits to the Company

This investment is in accordance with the Company's strategic plan to expand its clean power generation business which is its core business. The combined cycle gas turbine projects have commenced commercial operations, enabling the Company to realize its income and profits immediately after the investment. The projects have potentialities to consistently generate cash flow to the Company in long term.

9. Source of Funds

The Company's source of funds for entering into the transaction will come from internal cash flow of the Company and/or loans from a financial institution.

10. Plan for the Use of Proceeds Received from the Sales

None. The Share Purchase Transaction is not a disposal of assets transaction.

11. Types and Details of Securities Issued by the Company to Pay for the Assets

-None-

12. Transaction Conditions

All conditions precedent under the Purchase and Sale Agreement (e.g., obtaining any approval required from the relevant authorities of the United States) have been satisfied or waived by the related parties.

13. Characteristics and Scope of Interest of Related Parties

-None-

14. Opinions of the Board of Directors in Relation to the Entering into the Transaction

The Board of Directors approves the entering into the transaction by the Company and is of the opinion that the transaction is reasonable with the rate of return being appropriate and higher than the weight-average financial cost of the Company, and in the best interest of the Company and its shareholders. The decision is made with prudence and due care and in accordance with good

⁶ Calculated from the exchange rate of THB 34.305 per USD 1 as announced on 27 March 2023 by the Bank of Thailand

corporate governance. The Board has also considered the benefits expected from the investment which will promote the revenue and profit of the Company group to be more stable in the future and the rate of return is higher than the weight-average financial cost of the Company which is considered the appropriate rate.

15. Opinions of the Audit Committee and/or Directors Dissenting from the Board of Directors' Opinions

-None-

Appendix 1 Details of the shareholding structure after the Company entered into the Share Purchase Transaction

