

[Translation]

RATCH 288/2021

24 August 2021

Subject: Acquisition of assets and determination of the meeting date, the date to determine the name list of shareholders being entitled to attend the meeting (Record Date) and the agenda of the Extraordinary General Meeting of Shareholders No. 1/2021

Attention: President of the Stock Exchange of Thailand

Enclosure: Information memorandum of the acquisition of assets in respect of purchase of ordinary shares of 45.515 percent in each of PT Paiton Energy and Minejesa Capital B.V., and purchase of ordinary shares of 65 percent in IPM Asia Pte. Ltd.

We, RATCH Group Public Company Limited (the "**Company**"), refer to our notification to the Stock Exchange of Thailand ("**SET**") on 22 June 2021 in relation to the signing of the share purchase agreement for a purpose of investment in the coal-fired thermal power plants in the Republic of Indonesia by RH International (Singapore) Corporation Pte. Ltd. ("**RHIS**") (which is the Company's 100 percent indirectly owned subsidiary through RH International (Mauritius) Corporation Limited ("**RHIM**") and RH International Corporation Limited ("**RHIC**")), the transaction of which comprise the purchase of ordinary shares of 45.515 percent in each of PT Paiton Energy ("**PE**") and in Minejesa Capital B.V. ("**MCBV**"), and the purchase of ordinary shares of 65 percent in IPM Asia Pte. Ltd. ("**IPM**") (collectively referred to as the "**Paiton Coal-Fired Plants Investment Transaction**"). The said transaction is considered the acquisition of assets of a listed company as prescribed under the Notification of Capital Market Supervisory Board TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (including any amendment thereto), 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 Disposal of Assets, B.E. 2547 (2004) (including any amendment thereto) (the "**Notifications on Assets Acquisition or Disposal**"). The value of the Paiton Coal-Fired Plants Investment Transaction is 55.4 percent by a net operating profit basis according to the consolidated financial statements of the Company for the period ended 30 June 2021 and the financial statements of PE, MCBV and IPM ended 31 December 2020. Upon including the value of all other transactions on acquisition of assets of the Company being entered into during the past 6 months prior to the execution of this transaction, the highest value of asset acquisition transaction in total is amounted to 55.4 percent by the net operating profit basis. The transaction is considered class 1 transaction whose value is 50 percent or more but less than 100 percent according to the particulars contained in the Enclosure.

Therefore, the Company is required to comply with the Notifications on Assets Acquisition or Disposal as follows:

- 1) Prepare and disclose an information memorandum to the SET which at minimum complies with the requirements of the Notifications on Assets Acquisition or Disposal; in this regard, the Company has prepared for disclosure the information memorandum regarding class 1 transaction of the Notifications on Assets Acquisition or Disposal according to the Enclosure;
- 2) Convene a meeting of shareholders to obtain an approval on the Paiton Coal-Fired Plants Investment Transaction of the Company, whereby the Company shall obtain affirmative votes of no less than three-quarters of the total votes casted by the shareholders attending the meeting and being entitled to vote, excluding the votes casted by interested shareholders;

- 3) Deliver a notice of the meeting of shareholders in advance of at least 14 days before the meeting date which contain at least the information required under the Notifications on Assets Acquisition or Disposal;
- 4) Appoint an independent financial advisor to provide an opinion in relation to the assets acquisition transaction and deliver such opinion to the shareholders of the Company together with the notice of the meeting of shareholders; in this regard, the Company has appointed Advisory Plus Co., Ltd. as the independent financial advisor to further provide and deliver such opinion to the shareholders of the Company together with the notice of the Extraordinary General Meeting of Shareholders No. 1/2021.

The said transaction is not a connected transaction as defined under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected transaction B.E. 2546.

Therefore, the Board of Directors' Meeting of the Company No. 8/2021 held on 24 August 2021 has resolved to approve the important matters as follows:

1. The following matters are to be proposed to the Extraordinary General Meeting of Shareholders No. 1/2021 for consideration and approval:

- 1.1 To consider and approve that RH International (Singapore) Corporation Pte. Ltd. ("**RHIS**") (which is the Company's 100 percent indirectly owned subsidiary through RH International (Mauritius) Corporation Limited and RH International Corporation Limited) invests in the Paiton Energy project at a total amount of USD 809.60 million (or approximately THB 25,421.68 million) with details as follows:

- (1) To consider and approve the purchase of 19,332 ordinary shares of PT Paiton Energy ("**PE**"), equivalent to 45.515 percent of total issued and paid-up shares of PE from Mitsui & Co., Ltd. ("**Mitsui**"), which is not a connected person of the Company, at the price of USD 707.20 million (or approximately THB 22,206.29 million); whereas PE owns 2 coal-fired thermal power plants with the total capacity of 2,045 megawatts (MW).

The 2 power plants are located at Paiton Power Complex in the town of Probolinggo in East Java, the Republic of Indonesia. The complex is one of Indonesia's strategically important electricity generation centers as it mainly generates and supplies electricity to Java. All power plants located in Paiton Power Complex provide the combined generation capacity of approximately 4,700 MW.

The first power plant is the P7/8 plant which consists of 2 electrical energy generating units, each with 615-MW capacity for a total capacity of 1,230 MW and has executed the power purchase agreement with PT Perusahaan Listrik Negara ("**PLN**"), which is Indonesia's state electricity authority, effective for the period of May 1999 to March 2042.

The second power plant is the P3 plant with 815-MW capacity and has executed the power purchase agreement with PLN effective for the period of March 2012 to March 2042.

The combined capacity of the two power plants is 2,045 MW, which is equivalent to 6.00 percent of total electricity generation capacity of the whole Java island.

- (2) To consider and approve the purchase of 2,275,750 ordinary shares of Minejesa Capital B.V. (“**MCBV**”), equivalent to 45.515 percent of total issued and paid-up shares of MCBV, from Paiton Power Financing B.V. (“**PPF**”) in which Mitsui owns 100 percent of total issued and paid-up shares of PPF, at the price of USD 53.50 million (or approximately THB 1,679.92 million); whereas MCBV provides the financing source to PE.
 - (3) To consider and approve the purchase of 366,936,795 ordinary shares of IPM Asia Pte. Ltd. (“**IPM**”), equivalent to 65.00 percent of total issued and paid-up shares of IPM, from PPF in which Mitsui owns 100 percent of total issued and paid-up shares of PPF, at the price of USD 48.90 million (or approximately THB 1,535.47 million); whereas IPM holds shares in PT Paiton Operation and Maintenance Indonesia (“**POMI**”) in the amount of 84 percent of total issued and paid-up shares of POMI; POMI is the company which operates and maintains the two power plants for PE.
- 1.2 To consider and approve that the Company and/or RHIS allocate the funds for the execution of the transaction under 1.1 above and the investment payable according to adjustment mechanism as of the share transfer date pursuant to the share purchase agreement;
 - 1.3 To consider and approve that the Company and/or RHIS proceed with other arrangements including negotiations, documentations and execution of agreements, as well as placing of advance deposits or guarantees pursuant to the terms and conditions of relevant agreements for the successful completion of the arrangements under 1.1 and 1.2 above;
 - 1.4 To consider and approve that the Chief Executive Officer be authorised, and the Chief Executive Officer be authorised to appoint substitutes, to consider and enter into negotiations regarding the relevant terms and conditions, documentations and agreements for the successful completion of the arrangements under 1.1 to 1.3 above.
2. The Extraordinary General Meeting of Shareholders No. 1/2021 will be held on Thursday, 21 October 2021 at 14:00 hours in the format of electronic meeting (E-EGM) pursuant to the Emergency Decree on Electronic Meetings, B.E. 2563 (2020) as well as other relevant laws and requirements.
 3. The date to determine the name list of shareholders being entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2021 is Wednesday, 8 September 2021 (Record Date).
 4. The agenda of the Extraordinary General Meeting of Shareholders No. 1/2021 is as follows:
 - Agenda 1 To consider and adopt the minutes of the 2021 Shareholders’ Annual General Meeting held on 5 April 2021
Opinion of the Board of Directors: the minutes of the meeting are accurate and complete, and the shareholders should adopt the minutes of the meeting.
 - Agenda 2 To consider and approve the purchase of ordinary shares of 45.515 percent in each of PT Paiton Energy and Minejesa Capital B.V. and purchase of ordinary shares of 65 percent in IPM Asia Pte. Ltd.
Opinion of the Board of Directors: shareholders should consider and approve the purchase by RHIS of 45.515 percent ordinary shares in each of PE and MCBV and the purchase by RHIS of 65 percent ordinary shares in IPM, and approve that the

Company and/or RHIS allocate the funds for the investment and the investment payable according to adjustment mechanism as of the share transfer date pursuant to terms and conditions of such purchases of ordinary shares, as well as other arrangements including negotiations, documentations and execution of agreements, placing of advance deposits or guarantees pursuant to the terms and conditions of relevant agreements, including the relevant authorization and sub-authorization, for the successful completion of this transaction.

Agenda 3 Other businesses, if any

In these regards, the Company is to inform the shareholders in details of the procedure in relation to the participation in the Extraordinary General Meeting of Shareholders No. 1/2021 via electronic meeting in the notice of meeting to be further delivered to the shareholders.

Please be informed accordingly.

Sincerely yours,

(Mr. Kijja Sripatthangkura)

Chief Executive Officer

Company Secretary Office

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(Translation)

**Information Memorandum on Asset Acquisition Transaction of RATCH Group Plc.
Relating to the Purchase of 45.515% of Ordinary Shares in PT Paiton Energy and
Minejesa Capital B.V. and the Purchase of 65% of Ordinary Shares in IPM Asia Pte. Ltd.**

Information Memorandum Disclosed under the Notifications on Acquisition or Disposal, Schedule 1

The Board of Directors' Meeting No. 8/2021 of RATCH Group Plc. ("the Company"), held on 24 August 2021, approved to propose that the shareholders' meeting consider and grant the approval for RH International (Singapore) Corporation Pte. Ltd. ("RHIS"), an indirectly wholly owned subsidiary of the Company, to enter into a transaction under the sale and purchase agreement for the ordinary shares in a group of companies operating the coal-fired thermal power plants with a total capacity of 2,045 MW located at Paiton Power Generation Complex in East Java, the Republic of Indonesia. In this respect, RHIS will enter into the transaction as follows: (1) purchase of ordinary shares amounting to 45.515% of the registered and paid-up capital of PT Paiton Energy ("PE") from Mitsui & Co., Ltd. at USD 707.20 million or equivalent to Baht 22,206.29 million;¹ (2) purchase of ordinary shares amounting to 45.515% of the registered and paid-up capital of Minejesa Capital B.V. ("MCBV") from Paiton Power Financing B.V. at USD 53.50 million or equivalent to Baht 1,679.92 million;¹ and (3) purchase of ordinary shares amounting to 65.00% of the registered and paid-up capital of IPM Asia Pte. Ltd. ("IPM") from Paiton Power Financing B.V. at USD 48.90 million or equivalent to Baht 1,535.47 million¹ (collectively called the "Group of Target Companies"), making up a total value of USD 809.60 million or equivalent to Baht 25,421.68 million.¹

The investment in ordinary share purchase by RHIS through the investment in PE, the investment in MCBV and the investment in IPM mentioned above is considered as an acquisition of assets of listed companies prescribed in 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 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand ("SET") Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (as amended) ("Notifications on Acquisition or Disposal"). From the transaction size calculation based on the consolidated financial statements of the Company for the period ended 30 June 2021 and the financial statements of PE, MCBV and IPM ended 31 December 2020, the transaction size is equal to 55.4% under the net profit basis. After aggregating with other asset acquisition transactions entered into by the Company during the previous six-month period before entering into this transaction, the asset acquisition transaction of the Company has a maximum size of 55.4% under the net profit basis, which is deemed as a Class-1 Transaction, i.e. a transaction with value equal to 50% or more but less

Remark: 1. The calculation is based on the weighted-average exchange rate quoted by the Bank of Thailand as at 22 June 2021 with the average buying rate for sight bill equal to Baht 31.4003/USD.

than 100%. Therefore, the Company is required to disclose an information memorandum on the asset acquisition transaction to the SET and appoint an independent financial advisor to provide opinion to the Company's shareholders in order to seek the approval for entering into such transaction from the shareholders' meeting with the required affirmative votes of not less than three-fourths of the total number of votes of the shareholders attending the meeting and having the right to vote, excluding votes cast by the shareholders having a conflict of interest. The Company must submit a notice of the shareholders' meeting together with opinion of the independent financial advisor to its shareholders at least 14 days ahead of the meeting date.

However, the said transaction does not constitute a connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (as amended) and the Notification of the SET Board of Governors Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (as amended).

1. Date of the transaction

The transaction will be entered into after the Company has obtained the approval from the Extraordinary General Meeting of Shareholders No. 1/2021, which will be held on 21 October 2021. The Company expects to complete the transaction by March 2022.

2. The parties involved and their relationship with the Company

Transaction 1 Purchase of ordinary shares in PE

Buyer RH International (Singapore) Corporation Pte. Ltd. ("RHIS"), an indirectly wholly owned subsidiary of the Company

Seller Mitsui & Co., Ltd.

Relationship with the Company The Seller does not have any relationship with the Company or the Company's subsidiary.

Transaction 2 Purchase of ordinary shares in MCBV

Buyer RH International (Singapore) Corporation Pte. Ltd. ("RHIS"), an indirectly wholly owned subsidiary of the Company

Seller Paiton Power Financing B.V.

Relationship with the Company The Seller does not have any relationship with the Company or the Company's subsidiary.

Transaction 3 Purchase of ordinary shares in IPM

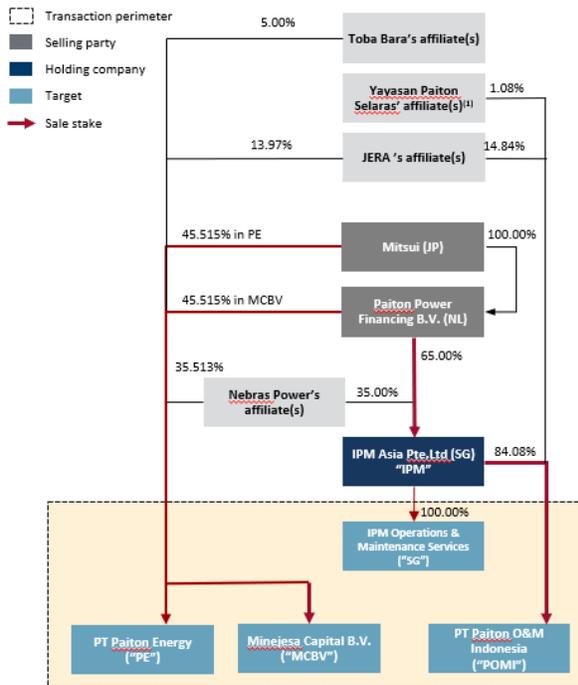
Buyer	RH International (Singapore) Corporation Pte. Ltd. (“RHIS”), an indirectly wholly owned subsidiary of the Company
Seller	Paiton Power Financing B.V.
Relationship with the Company	The Seller does not have any relationship with the Company or the Company’s subsidiary.

3. General characteristics of the transaction

The Company has engaged in power generation business, infrastructure business, related businesses, and other businesses. As at June 2021, its power generation business had a combined domestic and overseas capacity of 8,290.31 MW, consisting of commercially-operated power plants of 7,052.94 MW and power plants under development and construction of 1,237.37 MW. Considering that the power purchase agreements (PPAs) of some of the power plants in its Group will gradually reach expiration dates over the next five years from now, the Company has therefore set the operational goal for its power generation business to seek to expand the investment in this business both at home and abroad in a bid to maintain its capacity at 10,000 MW in 2025 and to increase and compensate the missing revenue and return due to the expired PPAs as much as possible. The Company will accordingly implement its investment plan to achieve such goal and its vision, which is “To become a leading value-oriented energy and infrastructure company in Asia-Pacific.”

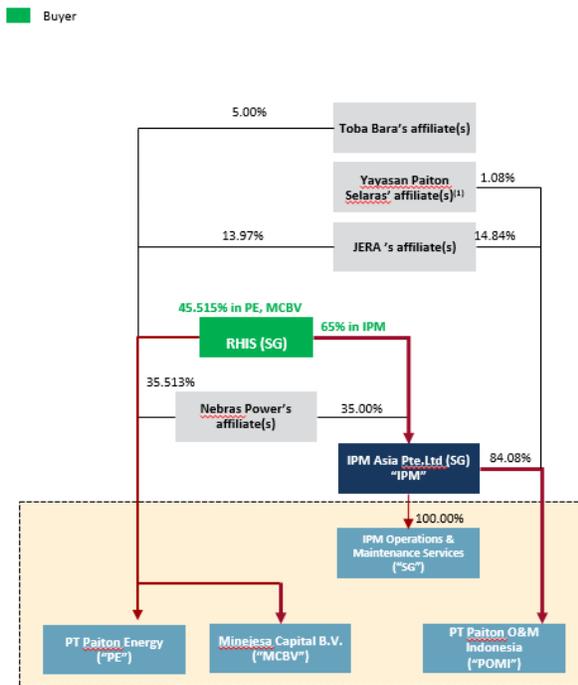
For this reason, the Company has resolved to give the approval for RHIS, which is its indirectly wholly owned subsidiary, to sign the sale and purchase agreement for the ordinary shares in the Group of Target Companies operating the coal-fired thermal power plants with a total capacity of 2,045 MW located at Paiton Power Generation Complex in the Republic of Indonesia. In this respect, RHIS will invest in share purchase in various companies as follows: (1) purchase of ordinary shares amounting to 45.515% of the registered and paid-up capital of PT Paiton Energy (“PE”) from Mitsui & Co., Ltd. at USD 707.20 million or equivalent to Baht 22,206.29 million;¹ (2) purchase of ordinary shares amounting to 45.515% of the registered and paid-up capital of Minejesa Capital B.V. (“MCBV”) from Paiton Power Financing B.V. at USD 53.50 million or equivalent to Baht 1,679.92 million;¹ and (3) purchase of ordinary shares amounting to 65.00% of the registered and paid-up capital of IPM Asia Pte. Ltd. (“IPM”) from Paiton Power Financing B.V. at USD 48.90 million or equivalent to Baht 1,535.47 million,¹ making up a total value of USD 809.60 million or equivalent to Baht 25,421.68 million.¹ As a result of such investment, RHIS will hold 45.515% of the registered and paid-up capital in the power plant business and 65.00% in the power plant operation and maintenance business, which is in line with the goal and the Group’s investment plan for future expansion into energy business and related businesses.

Pre-transaction



(1) Post-transaction investment structure as at Share Purchase Agreement signing date (22 June 2021)

Post-transaction



4. Type and size of the transaction

The investment in ordinary share purchase by RHIS through the investment in PE, the investment in MCBV and the investment in IPM mentioned above is considered as an acquisition of assets of listed companies prescribed in 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 (as amended) and the Notification of the SET Board of Governors Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (as amended) ("Notifications on Acquisition or Disposal"). From the transaction size calculation based on the consolidated financial statements of the Company for the period ended 30 June 2021 and the financial statements of PE, MCBV and IPM ended 31 December 2020, the transaction size is equal to 55.4% under the net profit basis. After aggregating with other asset acquisition transactions entered into by the Company during the previous six-month period before entering into this transaction, the asset acquisition transaction of the Company has a maximum size of 55.4% under the net profit basis, which is deemed as a Class-1 Transaction, i.e. a transaction with value equal to 50% or more but less than 100%. Therefore, the Company is required to disclose an information memorandum on the asset acquisition transaction to the SET and appoint an independent financial advisor to provide opinion to the Company's shareholders in order to seek the approval for entering into such transaction from the shareholders' meeting with the required affirmative votes of not less than three-fourths of the total number of votes of the shareholders attending the meeting and having the right to vote, excluding votes cast by the shareholders having a conflict of interest. The Company must submit a notice of the shareholders' meeting together with opinion of the independent financial advisor to its shareholders at least 14 days ahead of the meeting date.

Details of the transaction size calculation under the Notifications on Acquisition or Disposal are as follows:

Calculation of size of the asset acquisition transaction:

1) The investment in PE

Purchase of ordinary shares amounting to 45.515% of the registered and paid-up capital of PE from Mitsui & Co., Ltd. at USD 707.20 million or equivalent to Baht 22,206.29 million¹

Table showing transaction size calculation:

Basis of transaction size calculation	Transaction size
1. NTA	32.34%
2. Net profit	51.53%
3. Total value of consideration	18.02%
4. Value of equity shares	Not applicable as payment is not made with issued shares

Remark: 1/ The Company's consolidated financial statements for the six-month period ended 30 June 2021

2/ PE's financial statements for the year ended 31 December 2020

3/ NTA or net tangible assets = total assets – intangible assets – total liabilities – minority interests
(intangible assets including goodwill, deferred expenses, etc.)

2) The investment in MCBV

Purchase of ordinary shares amounting to 45.515% of the registered and paid-up capital of MCBV from Paiton Power Financing B.V. at USD 53.50 million or equivalent to Baht 1,679.92 million¹

Table showing transaction size calculation:

Basis of transaction size calculation	Transaction size
1. NTA	0.81%
2. Net profit	2.45%
3. Total value of consideration	1.36%
4. Value of equity shares	Not applicable as payment is not made with issued shares

Remark: 1/ The Company's consolidated financial statements for the six-month period ended 30 June 2021

2/ MCBV's financial statements for the year ended 31 December 2020

3/ NTA or net tangible assets = total assets – intangible assets – total liabilities – minority interests
(intangible assets including goodwill, deferred expenses, etc.)

3) The investment in IPM

Purchase of ordinary shares amounting to 65.00% of the registered and paid-up capital of IPM from Paiton Power Financing B.V. at USD 48.90 million or equivalent to Baht 1,535.47 million¹

Table showing transaction size calculation:

Basis of transaction size calculation	Transaction size
1. NTA	0.36%
2. Net profit	1.42%
3. Total value of consideration	1.25%
4. Value of equity shares	Not applicable as payment is not made with issued shares

Remark: 1/ The Company's consolidated financial statements for the six-month period ended 30 June 2021
 2/ IPM's financial statements for the year ended 31 December 2020
 3/ NTA or net tangible assets = total assets – intangible assets – total liabilities – minority interests (intangible assets including goodwill, deferred expenses, etc.)

Total size of the ordinary share purchase transaction for investment in the Group of Target Companies:

Basis of transaction size calculation	PE	MCBV	IPM	Total
1. NTA	32.34%	0.81%	0.36%	33.51%
2. Net profit	51.53%	2.45%	1.42%	55.4%
3. Total value of consideration	18.02%	1.36%	1.25%	20.63%
4. Value of equity shares	Not applicable as payment is not made with issued shares			

Remark: 1. The calculation is based on the weighted-average exchange rate quoted by the Bank of Thailand as at 22 June 2021 with the average buying rate for sight bill equal to Baht 31.4003/USD.

4) Other asset acquisition transactions of the Company during the past six months (February 2021 – August 2021) before entering into this transaction

No.	Transaction date	Details of asset acquisition	Transaction size from calculation (%)			
			NTA	Net profit	Total value of consideration	Value of equity shares
1	5 May 2021	Signing of the Share Purchase and Subscription Agreement to invest in a near-shore wind power plant project in the Socialist Republic of Vietnam	Negative NTA	None	0.24	No issue of new shares
2	24 May 2021	Investment in ordinary shares of Principal Capital Plc.	0.98	None	1.33	No issue of new shares
3	30 July 2021	Signing of the Capital Increase Share Purchase Agreement to invest in a private hospital in Lao PDR	0.06	None	0.16	No issue of new shares
Total transaction size in the six-month period			1.04	N/A	1.73	N/A

Remark:

- Transaction 1 is the signing of the Share Purchase and Subscription Agreement to invest in a near-shore wind power plant project in the Socialist Republic of Vietnam on 5 May 2021, following which the Company has acquired assets through the purchase of 50% of ordinary shares in Nexif Energy BT Pte. Ltd. from Nexif Energy Pte. Ltd., which is not a connected person, with a total value of consideration of USD 8.68 million (equivalent to approximately Baht 272.58 million). The Company's Board of Directors resolved to approve the entry into this transaction on 20 April 2021.
- Transaction 2 is the investment in ordinary shares in Principal Capital Plc. ("PRINC") on 24 May 2021, which resulted in the Company acquiring assets through the purchase of 10% of PRINC's total issued and paid-up shares after the issue and offering of its new shares to the Company. Such investment comprised (a) an investment in PRINC's 346,233,682 newly issued ordinary shares, and (b) a purchase of PRINC's 34,623,369 existing ordinary shares from Miss Satita Viddayakorn, who is not a connected person, with a total value of consideration of about Baht 1,557.705 million. The Company's Board of Directors resolved to approve the entry into this transaction on 20 April 2021.
- Transaction 3 is the signing of the Capital Increase Share Purchase Agreement to invest in a private hospital business in Lao PDR on 30 July 2021, which led the Company to acquire assets through the purchase of capital increase shares in Bangkok Chain International (Lao) Co., Ltd., which is not a connected person, in a proportion of 9.91% with a total value of consideration of Baht 190 million. The Company's Board of Directors resolved to approve the entry into this transaction on 18 May 2021.

5. Details of the assets being acquired

5.1. The investment in PE

5.1.1. The assets being acquired

The assets to be acquired are 19,332 ordinary shares in PE with a par value of USD 10,000 per share, representing 45.515% of PE's registered and paid-up capital.

5.1.2. Nature of business operation of PE

Company's name	PT Paiton Energy ("PE")
Type of business	A juristic person in the type of limited company registered under the law of the Republic of Indonesia
Juristic person registration number	8120107981887
Nature of business	PE is a producer and distributor of electricity generated from its coal-fired thermal power plants with a combined capacity of 2,045 MW, consisting of Paiton Units 7 and 8, having a generating capacity of 615 MW each and operating under the power purchase agreement with PT Perusahaan Listrik Negara ("PLN"), which is Indonesia's state electricity company, for a period

from May 1999 to March 2042; and Paiton Unit 3, having a generating capacity of 815 MW and operating under the power purchase agreement with PLN for a period from March 2012 to March 2042. The three power plants are located at Paiton Power Complex in Probolinggo, East Java, the Republic of Indonesia. Paiton Power Complex is a key power project crucial for Indonesia's energy strategy since it is an important power source of Java Island. The power plants in Paiton Power Complex have a combined capacity of around 4,700 MW. The aggregate capacity of those three power plants of 2,045 MW accounts for 6.00% of the total generating capacity of Java Island.

Company's address Sentral Senayan II, 5th Floor Jl. Asia Afrika No. 8 Jakarta 10270, Indonesia
 Date of establishment 6 February 1995

5.1.3. PE's registered capital and shareholding structure

As at Share Purchase Agreement signing date (22 June 2021), PE has a registered and paid-up capital of USD 424.74 million or equivalent to Baht 12,646.59 million (exchange rate of Baht 29.7749/USD), divided into 42,474 ordinary shares with a par value of USD 10,000 per share. Here is a list of PE's shareholders:

No.	Name	No. of registered shares	As % of issued and paid-up shares
1	Mitsui Co., Ltd.	19,332	45.52
2	Nebras Power Investment Management B.V.	15,084	35.51
3	Tokyo Electric Power Company International Paiton II B.V.	5,934	13.97
4	PT Batu Hitam Perkasa	2,124	5.00
Total		42,474	100.00

5.1.4. PE's Board of Directors

As at Share Purchase Agreement signing date (22 June 2021), PE's Board of Directors is as listed below:

No.	Name	Position
1	Koichiro Miyazaki	President
2	Khalid Mohd Yousef Jolo	Director
3	Faisal Obaid Ahmed A. Al-Siddiqi	Director
4	Koichi Katayama	Director
5	Motoharu Nakada	Director
6	Arthur M. E. Simatupang	Director

5.1.5. PE's financial information

PE's financial statements for the years ended 31 December 2018-2020 were audited by Yanto, S.E., Ak., M.Ak., CPA Registration No. AP 0241, of KAP Tanudiredja, Wibisana, Rintis & Rekan Public Accounting Firm (a member of PwC global network in Indonesia).

Statements of financial position	USD million			Baht million		
	As at 31 Dec 2018	As at 31 Dec 2019	As at 31 Dec 2020	As at 31 Dec 2018	As at 31 Dec 2019	As at 31 Dec 2020
Assets						
Current assets	583.59	553.80	575.32	18,787.16	16,550.59	17,130.10
Non-current assets	3,886.30	3,798.87	3,749.21	125,109.33	113,531.13	111,632.35
Total assets	4,469.89	4,352.67	4,324.53	143,896.49	130,081.72	128,762.45
Liabilities and equity						
Current liabilities	470.87	230.43	281.42	15,158.43	6,886.52	8,379.25
Non-current liabilities	2,867.18	2,785.88	2,624.23	92,301.41	83,257.41	78,136.19
Total liabilities	3,338.05	3,016.31	2,905.65	107,459.84	90,143.93	86,515.44
Equity	1,131.84	1,336.36	1,418.88	36,436.65	39,937.79	42,247.01
Total liabilities and equity	4,469.89	4,352.67	4,324.53	143,896.49	130,081.72	128,762.45
Statements of income for the period	2018	2019	2020	2018	2019	2020
Revenues	713.10	908.15	841.66	22,956.72	27,140.52	25,060.34
Other revenues	163.42	46.50	47.15	5,260.88	1,389.68	1,403.89
Total revenues	876.53	954.65	888.81	28,217.60	28,530.19	26,464.23
Direct costs	(422.31)	(508.54)	(443.91)	(13,595.17)	(15,197.97)	(13,217.38)
Other expenses	(258.17)	(222.50)	(154.23)	(8,311.11)	(6,649.52)	(4,592.18)
Total expenses	(680.48)	(731.04)	(598.14)	(21,906.28)	(21,847.50)	(17,809.56)
Net profit (loss)	196.05	223.61	290.67	6,311.32	6,682.70	8,654.67

Remark: Exchange rate of Baht per USD as at 28 December 2018 and 30 December 2019 and 2020 was equal to Baht 32.1924, Baht 29.8855 and Baht 29.7749 respectively.

5.2. The investment in MCBV

5.2.1. The assets being acquired

The assets to be acquired are 2,275,750 ordinary shares in MCBV with a par value of USD 1.00 per share, representing 45.515% of MCBV's registered and paid-up capital.

5.2.2. Nature of business operation of MCBV

Company's name	Minejesa Capital B.V. ("MCBV")
Type of business	A juristic person in the type of limited company registered under the law of the Netherlands
Juristic person registration number	69078947
Nature of business	<ul style="list-style-type: none"> - MCBV operates as a holding company by holding the entire shares of Minejesa Power B.V. (MPBV). - MCBV was established as a juristic person with the objective to secure funding sources for investment in PE through shareholding in MPBV. In August 2017, MCBV (1) raised funds by issuing a secured senior bond worth USD 2,100 million, divided into (a) USD 1,200 million with an interest rate of 4.625% p.a., redeemable in August 2030, and (b) USD 900 million with an interest rate of 5.625% p.a., redeemable in August 2037, with such bond approved and traded on Singapore Exchange (SGX-ST); and (2) secured loans from a group of banks in USD currency of about USD 300 million and JPY currency of about JPY 40 billion, both of which are due in August 2023.
Company's address	Barbara Strozzi laan 366, Eurocenter 2, 5 th Floor, 1083 HN Amsterdam, the Netherlands
Date of registration	29 June 2017

5.2.3. MCBV's registered capital and shareholding structure

As at Share Purchase Agreement signing date (22 June 2021), MCBV has a registered capital of USD 5,000,000 or equivalent to Baht 148,874,500 (exchange rate of Baht 29.7749/USD), divided into 5,000,000 ordinary shares with a par value of USD 1 per share. Here is a list of MCBV's shareholders:

No.	Name	No. of registered shares	As % of issued and paid-up shares
1	Paiton Power Financing B.V.	2,275,750	45.52
2	IPM Indonesia B.V.	1,775,650	35.51
3	Tokyo Electric Power Company International Paiton II B.V.	698,550	13.97
4	PT Batu Hitam Perkasa	250,050	5.00
Total		5,000,000	100.00

5.2.4. MCBV's Board of Directors

As at Share Purchase Agreement signing date (22 June 2021), MCBV's Board of Directors is as listed below:

No.	Name	Position
1	Ento	Executive Director B
2	J.J.J. van Trigt	Executive Director C
3	Sachio Kosaka	Executive Director D
4	Faisal Obaid A Al-Siddiqi	Non-Executive Director C
5	Tomonori Suzuki	Non-Executive Director B

5.2.5. MCBV's financial information

MCBV's financial statements for the years ended 31 December 2018-2020 were audited by Deloitte Accountants B.V.

Statements of financial position	USD million			Baht million		
	As at 31 Dec 2018	As at 31 Dec 2019	As at 31 Dec 2020	As at 31 Dec 2018	As at 31 Dec 2019	As at 31 Dec 2020
Assets						
Current assets	183.64	196.68	194.46	5,911.81	5,877.88	5,790.03
Non-current assets	2,535.83	2,425.48	2,321.97	81,634.45	72,486.68	69,136.42
Total assets	2,719.47	2,622.16	2,516.43	87,546.26	78,364.56	74,926.45
Liabilities and equity						
Current liabilities	159.94	159.11	160.77	5,148.85	4,755.08	4,786.91
Non-current liabilities	2,522.47	2,419.54	2,320.16	81,204.36	72,309.16	69,082.53
Total liabilities	2,682.41	2,578.65	2,480.93	86,353.21	77,064.24	73,869.44
Equity	37.06	43.51	35.50	1,193.05	1,300.32	1,057.01
Total liabilities and equity	2,719.47	2,622.16	2,516.43	87,546.26	78,364.56	74,926.45
Statements of income for the period	2018	2019	2020	2018	2019	2020
Total revenues	141.45	138.91	139.67	4,553.61	4,151.39	4,158.66
Total expenses	(132.78)	(129.23)	(125.85)	(4,274.51)	(3,862.10)	(3,747.17)
Net profit (loss)	8.67	9.68	13.82	279.11	289.29	411.49

Remark: Exchange rate of Baht per USD as at 28 December 2018 and 30 December 2019 and 2020 was equal to Baht 32.1924, Baht 29.8855 and Baht 29.7749 respectively.

5.3. The investment in IPM

5.3.1. The assets being acquired

The assets to be acquired are 366,936,795 ordinary shares in IPM with undetermined par value, representing 65.00% of IPM's registered and paid-up capital.

5.3.2. Nature of business operation of IPM

Company's name	IPM Asia Pte. Ltd. ("IPM")
Type of business	A juristic person in the type of limited company registered under the law of the Republic of Singapore
Juristic person registration number	199307415N
Nature of business	IPM operates as a holding company. It has invested in PT Paiton Operation and Maintenance Indonesia ("POMI") in the amount of 84% of the registered and paid-up capital of POMI which has executed the Operation and Maintenance Agreement for power plants of PE.
Company's address	1 Robinson Road, #17-00 AIA Tower, Singapore (048542)
Date of registration	9 November 1993

5.3.3. IPM's registered capital and shareholding structure

As at Share Purchase Agreement signing date (22 June 2021), IPM has a registered capital of USD 1,000,000 or equivalent to Baht 29,774,900 (exchange rate of Baht 29.7749/USD), divided into 564,518,146 ordinary shares. Here is a list of IPM's shareholders:

No.	Name	No. of registered shares	As % of issued and paid-up shares
1	Paiton Power Financing B.V.	366,936,795	65.00
2	Nebras Power Netherlands B.V.	197,581,351	35.00
Total		564,518,146	100.00

5.3.4. IPM's Board of Directors

As at Share Purchase Agreement signing date (22 June 2021), IPM's Board of Directors is as listed below:

No.	Name	Position
1	Koh Boon Teck	Director
2	Faisal Obaid Al-Siddiqi	Director

No.	Name	Position
3	Peter Lithgow	Director
4	Koichiro Miyazaki	Director
5	Ryuichi Maruyama	Director
6	Tomonori Suzuki	Alternate Director to Koh Boon Teck

5.3.5. IPM's financial information

IPM's financial statements for the years ended 31 December 2018-2020 were audited by PricewaterhouseCoopers LLP, Public Accountants and Chartered Accountants, Singapore.

Statements of financial position	USD million			Baht million		
	As at 31 Dec 2018	As at 31 Dec 2019	As at 31 Dec 2020	As at 31 Dec 2018	As at 31 Dec 2019	As at 31 Dec 2020
Assets						
Current assets	8.64	12.96	10.80	278.14	387.42	321.57
Non-current assets	0.53	5.45	5.42	17.06	162.74	161.38
Total assets	9.17	18.41	16.22	295.20	550.16	482.95
Liabilities and equity						
Current liabilities	3.26	4.13	1.83	104.95	123.30	54.49
Non-current liabilities	0.10	-	0.13	3.21	-	3.87
Total liabilities	3.36	4.13	1.96	108.16	123.30	58.36
Equity	5.81	14.28	14.26	187.04	426.86	424.59
Total liabilities and equity	9.17	18.41	16.22	295.20	550.16	482.95
Statements of income for the period	2018	2019	2020	2018	2019	2020
Total revenues	21.98	30.39	23.76	707.59	908.22	707.45
Total expenses	(18.60)	(19.52)	(17.64)	(598.78)	(583.36)	(525.23)
Net profit (loss)	3.38	10.87	6.12	108.81	324.86	182.22

Remark: Exchange rate of Baht per USD as at 28 December 2018 and 30 December 2019 and 2020 was equal to Baht 32.1924, Baht 29.8855 and Baht 29.7749 respectively.

6. Total value of consideration and terms of payment

RHIS will pay the total consideration in cash of USD 809.60 million or equivalent to Baht 25,421.68 million¹ for the purchase of shares in PE, MCBV and IPM, details of which are as follows:

- 1) the acquired amount of 19,332 shares in PE, representing 45.515% of PE's registered and paid-up capital, with a transaction value of USD 707.20 million or equivalent to Baht 22,206.29 million;¹

- 2) the acquired amount of 2,275,750 shares in MCBV, representing 45.515% of MCBV's registered and paid-up capital, with a transaction value of USD 53.50 million or equivalent to Baht 1,679.92 million;¹ and
- 3) the acquired amount of 366,936,795 shares in IPM, representing 65.00% of IPM's registered and paid-up capital, with a transaction value of USD 48.90 million or equivalent to Baht 1,535.47 million.¹

The Company will pay for the purchase of shares in PE, MCBV and IPM at a total value of USD 809.60 million or equivalent to Baht 25,421.68 million¹ to the Sellers on the date the Sellers transfer the ownership of all those shares to the Company in order to complete the transaction.

Remark: 1. The calculation is based on the weighted-average exchange rate quoted by the Bank of Thailand as at 22 June 2021 with the average buying rate for sight bill equal to Baht 31.4003/USD.

7. Value of the assets being acquired

The assets to be acquired by RHIS include:

- 1) 19,332 ordinary shares in PE, representing 45.515% of PE's registered and paid-up capital, with its paid-up capital amounting to USD 424.74 million or equivalent to Baht 12,646.59 million at a par value of USD 10,000 per share or equivalent to Baht 297,749 and, as at 31 December 2020, its total assets amounting to USD 4,324.53 million or equivalent to Baht 128,762.45 million and book value amounting to USD 1,418.88 million or equivalent to Baht 42,247.01 million;
- 2) 2,275,750 ordinary shares in MCBV, representing 45.515% of MCBV's registered and paid-up capital, with its paid-up capital amounting to USD 5 million or equivalent to Baht 148.87 million at a par value of USD 1 per share or equivalent to Baht 29.7749 and, as at 31 December 2020, its total assets amounting to USD 2,516.43 million or equivalent to Baht 74,926.33 million and book value amounting to USD 35.50 million or equivalent to Baht 1,057.01 million; and
- 3) 366,936,795 ordinary shares in IPM, representing 65.00% of IPM's registered and paid-up capital, with its paid-up capital amounting to USD 1 million or equivalent to Baht 29.77 million with undetermined par value and, as at 31 December 2020, its total assets amounting to USD 16.22 million or equivalent to Baht 483.07 million and book value amounting to USD 14.26 million or equivalent to Baht 424.59 million.

Remark: The calculation is based on the weighted-average exchange rate quoted by the Bank of Thailand as at 30 December 2020 with the average buying rate for sight bill equal to Baht 29.7749/USD.

8. Basis for determination of value of consideration

The total value of consideration for the purchase of shares in PE, MCBV and IPM of USD 809.60 million or Baht 25,421.68 million¹ is determined based on the valuation of shares of PE, MCBV and IPM using the discounted cash flow approach because this approach focuses on future performance of PE, MCBV and IPM and

is generally employed in the valuation of power generation and distribution business which has a stable cash flow stream, thus properly reflecting the nature of operation of a company. The determination of the value of consideration is also based on negotiation with the Sellers. The value of investment is shown in the below table:

Company	Value (USD million)
PE	707.20
MCBV	53.50
IPM	48.90
Total	809.60

The valuation using the discounted cash flow approach is carried out based on a due diligence review, which was completely and properly conducted by a working group formed by the Company from among the experts in various fields jointly with the specialized consultants, taking into account the technical information that mirrors the power plants' income generation ability and related expenses under the following key initial assumptions:

- The project life is assumed to be 21 years in line with the PPA.
- The total net generating capacity is 2,033 MW according to the PPA.
- The average availability factor is 85.24% - 88.83% on a conservative basis. The heat rate degradation is determined based on analysis by the consultants.
- The average expenses for running the plants, excluding fuel costs, maintenance costs, and operating and administrative expenses, are around USD 144 million a year, according to the advice of the consultants, the inflation rate assumption from Bloomberg, and the data from Indonesia's statistical agency.
- Financial assumptions are as appearing in the loan agreements. Corporate income tax rate for power plants is 20% – 22%, according to the most updated announcement of the Government of Indonesia.

The assumptions have been properly established under the current situation of the business and based on track records of the relevant entities, together with a review by the consultants specializing in each field and the Company's experience.

9. Expected benefits for the Company

- 1) The Company will be able to expand its investment in energy business overseas in line with its goal to become a leading energy and infrastructure company in Asia-Pacific.
- 2) The Company will be able to increase the capacity of its power plant business so as to reach the goal of "maintaining the Company's capacity at 10,000 MW in 2025 to compensate the capacity of some of its power plants which will gradually reach expiration dates of the power purchase agreement."

- 3) The Company will be able to grow revenues from overseas investment in line with its goal “to generate revenues from overseas investment in the amount of not less than 50% of its total revenues by 2025.”
- 4) Its continuous investment in the Republic of Indonesia will help to enhance the Company's competitiveness in the electricity and related businesses as well as the investments in various projects in the Republic of Indonesia and other countries in order to bring about sustainability and improve business growth and performance for the Company.
- 5) The Company will be able to participate in the management of the three Target Companies since it will acquire their shares in the proportion of 45.515% – 65.00% of their respective registered and paid-up capital. These Target Companies operate the core business in which the Company itself has had knowledge and expertise. Therefore, such investment will enable the Company to achieve solid growth. In addition, entering into this investment will enable the Company to enhance efficiency in the management and operation of its overall business in the Republic of Indonesia, considering that it has two other power plant projects on a nearby island which could lead to efficient allocation of resources.
- 6) Since Paiton Units have already been commercially operated under the long-term power purchase agreements with the state electricity company of Indonesia with a guarantee of the power plants' revenues together with a guarantee of revenues from electricity sales provided by the Government of Indonesia, the Target Companies have accordingly shown favorable operating results and can regularly make dividend payments. Therefore, the investment in shares of the Target Companies will enable the Company to promptly increase profit from operation and will provide the opportunity to strengthen the Company's revenues, liquidity and financial position with a reasonable rate of return and also to enhance its capability for business operation in the long term and achieve sustainable growth.

10. Sources of funds for the purchase of shares in the Target Companies

The Company will pay for the purchase of shares in the Group of Target Companies, comprising PE, MCBV and IPM, at a total value of USD 809.60 million or equivalent to Baht 25,735.16 million¹ by using funds derived from loans from financial institutions and its own working capital.

The Group has cash and cash equivalents of Baht 4,438.62 million and an undrawn amount of credit facilities totaling Baht 46,829.42 million in various currencies, comprising Baht 33,344 million, USD 350 million and AUD 100 million (according to the financial statements as at 30 June 2021).

Remark: 1. The calculation is based on the weighted-average exchange rate quoted by the Bank of Thailand as at 30 June 2021 with the average buying rate for sight bill equal to (1) Baht 31.7875/USD and (2) Baht 23.5979/AUD.

11. Conditions for the transaction

The Company will purchase shares in PE, MCBV and IPM at a total value of USD 809.60 million or equivalent to Baht 25,421.68 million.¹ The significant conditions that must be fulfilled prior to the completion of such transaction are as follows:

- 11.1. Other shareholders of PE, MCBV and IPM, apart from the Sellers, shall not exercise the right to purchase shares of the Sellers under the same conditions and at the same price as those of the Company.
- 11.2. The Company must obtain the approval from its shareholders' meeting for entering into this transaction in accordance with the Notifications on Acquisition or Disposal.
- 11.3. Consent must be obtained from the state electricity company of Indonesia and financing parties, together with other relevant consent to this share purchase transaction.
- 11.4. The Company may have to pay any additional amount of the investment arising from adjustment to the accounts of the Target Companies. Such adjustment will be conducted and audited by an independent auditor, PricewaterhouseCoopers LLP, 60 days after the share transfer date.

Remark: 1. The calculation is based on the weighted-average exchange rate quoted by the Bank of Thailand as at 22 June 2021 with the average buying rate for sight bill equal to Baht 31.4003/USD.

12. Opinion of the Board of Directors concerning the transaction

The Board of Directors' Meeting No. 8/2021 of the Company considered all information and viewed that the ordinary share purchase for investment in a group of companies operating the thermal power plants in the Republic of Indonesia is a reasonable and appropriate investment that is in line with not only the Company's vision to become a leading energy and infrastructure company in Asia-Pacific but also its goal to maintain its power generating capacity at 10,000 MW in 2025. Therefore, such investment will help to create return and value added for the Company and its shareholders in the long term. The Board of Directors accordingly approved to propose the shareholders' meeting to consider and approve the said investment.

13. Opinion of the Audit Committee and/or directors that is different from opinion of the Board of Directors

None

14. Other information

None