



Enclosure No. 1

**Information Memorandum on disposal of assets and connected transaction of Padaeng Industry
Public Company Limited, Regarding the disposal of assets and connected transaction of subsidiary company
in PDI Energy Company Limited**

The Board of Director's meeting of Padaeng Industry Public Company Limited (the "Company") No. 06-2020 held on December 3, 2020 passed the resolution to propose at Extraordinary General Meeting of Shareholders No. 01/2021 to consider the sale of the Business of ATC Enviro Company Limited ("ATCE"), PDI Mae Ramat Company Limited ("PDIMR") and P.P. Solar (Nong-No) Company Limited ("PPS"); which will contain only Operating Assets by way of disposal of entire (100%) capital investment to BAFS Clean Energy Corporation Company Limited ("BC"), which is a subsidiary company of Bangkok Aviation Fuel services Public Company Limited ("BAFS") at the approximately total sale price is 1,704.67 Million Baht including other related conditions as follows:

1. The ATCE's ordinary shares of 4,352,600 shares with the nominal par value at 100 Baht each (which holding by PDIE of 4,352,400 shares and by other two minority shareholder totaling 200 shares); PDIE will sold all of the shares at the approximately total value is 1,280.01 Million Baht or 294.09 baht per share.
2. The PDIMR's ordinary shares of 1,050,000 shares with the nominal par value at 100 Baht (which holding by PDIE of 1,049,898 shares and by other three minority shareholder totaling 102 shares); PDIE will sold all of the shares at the approximately total value is 308.56 Million Baht or 293.90 Baht per share.
3. The PSS's ordinary shares of 340,000 shares with the nominal par value at 100 Baht (which holding by PDIE of 339,800 shares and by other two minority shareholder totaling 200 shares); PDIE will sold the entire share at the approximately total value of 116.10 Million Baht or 341.67 Baht per share.

In conclusion, the total sale price of PDIE's three subsidiary company is approximately equivalent to 1,704.67 Million Baht. Furthermore, the company shall also procure minority shareholders of ATCE, PDIMR and PPS to sell their shares at closing date of transaction.

This transaction is considered pursuant to the Notification of the Capital Market Supervisory Board TorChor.20/2551 Re: Rules on Entering into Major Transactions Deemed as Acquisition or Disposal of Assets, as amended, and the Notification of the Board Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposal of Assets, B.E. 2547 (2004), dated October 29, 2004, as amended. (collectively referred to as the "Notifications on Assets Acquisition or Disposal"). The calculation result of transactions, which were made by applying Net Tangible Assets Value Basis (NTA), Net Profits Basis, Total Value of Consideration Basis according to the Notifications on Assets Acquisition or Disposal, derives the highest value according to Net Profit Basis equal to 135.89% according to the company's consolidated financial statements ended September 30, 2020 and the company has no disposal of



assets transactions by the company during the past 6 months, this resulted in the total transactions to 135.89%; which is higher than 15%, therefore the company must be required to seek shareholders' approval, pursuant to Notification on Assets Acquisition or Disposal.

In addition, the transaction is considered a connected transaction of the Company according to the Notification of the Capital Market Supervisory Board TorChor.21/2551 Re: Rules on Connected Transactions and the Notification of the Board 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) as amended. (Collectively referred to as the **“Connected Transaction Notifications”**). So, both companies have Ministry of Finance as major shareholder.

As such, this shall calculate the size of transaction based on the Company's financial statements for 9 months ending September 30, 2020 and showing that the size of transaction is 135.89% of the net tangible assets value (NTA), which transaction is more than 20 million baht or more than 3% of tangible asset value are considered as a major transaction. According to the Connected Transaction Notifications, the Company shall (1) disclose information of the transaction to the SET (2) convene Extraordinary Meeting of Shareholders to obtain approval from shareholders of the Company with the vote of not less than three-fourths of the total votes of the shareholders attending the meeting and have the right to vote, excluding the votes of interested shareholders. (3) approve the appointment of the Independent Financial Advisor; whose name is under the Office of the Securities and Exchange Commission's Independent Financial Advisors (IFA) Approved List, to provide opinion to the Company's shareholders about the reasonableness of the connected transaction, the fair assessment and conditions of the transaction for approval, and the proposal of comments on such transactions the Office of The Securities and Exchange Commission (**“SEC”**) and the Stock Exchange of Thailand (**“SET”**) for consideration.

The details of the proposed transaction are as follows:

1. Date / Month / Year of the Transaction

The company expects that BC will enter into a share purchase agreement with PDIE with respect to the Share Purchase Transaction on 9 December 2020 (the **“Share Purchase Agreement”** or **“SPA”**).

2. Conditions precedent

- (1) PDIE will help to negotiate with the financial institution for maintaining current financial facilities granted to ATCE, PDIMR and PPS. To ensure that the business will not be disrupted, when all three companies have been sold to BC.

- (2) PDI and BAFS must be approved by the Extraordinary General Meeting of Shareholders No.01/2021 which will be held on February 1, 2021 in order to enter into the said transaction. If the meeting of both companies has approved, it is expected to proceed the first payment and to transfer shares within March 2021 which is the date of completion.
- (3) PDIMR submits for the approval of Energy Regulatory Commission to extend the Electricity Production License (Por.Por.2)
- (4) Seller has consent that the employees concerned with the sold solar farms to be hired by BC with the salary not lower than existing ones.
- (5) PPS will repay Symbior Elements Pte. Ltd. the loan repayment in accordance with the Loan Agreement dated 18 July B.E. 2558 until fully paid.
(PPS has fully-paid on 30 September 2020)

3. Relevant Parties and their Relationship with the Company

Purchaser: BAFS Clean Energy Corporation Company Limited (“BC”)

Seller: PDI Energy Company Limited (“PDIE”)

Relationship with the company:

Both PDIE and BC have the Ministry of Finance as a major shareholder as follow details.

1. The Ministry of Finance directly holds 13.81% of PDI's paid-up capital.
2. The Ministry of Finance indirectly holds shares in BAFS.
 - a. Thai Airways International Public Company Limited that holds share up to 22.59 percent of the total paid-up capital of BAFS.
 - b. PTT Oil and Retail Business Public Company Limited (a subsidiary company of PTT Public Company Limited) that holds share up to 7.06 percent of the total paid-up capital of BAFS.
 - c. Airports of Thailand Public Company Limited that holds share up to 4.94 percent of the the total paid-up capital of BAFS.

4. General Characteristic of the Transactions and Transaction Value

4.1 General Characteristic of the Transactions

PDIE is major shareholder in ATCE, PDIMR and PPS, as 99.99% 99.99% and 99.94% respectively and proposed to sale all the Business of three subsidiary companies to BC as below details:

- 4.1.1. A disposal of entire 4,352,400 shares of ATCE, at the total approximately sale price is 1,280.01 Million Baht, representing 294.09 baht per share,
- 4.1.2 A disposal of entire 1,049,898 shares of PDIMR, at the total approximately sale price is 308.56 Million Baht, representing 293.90 Baht per share.
- 4.1.3 A disposal of entire 339,800 shares of PPS, at the total approximately sale price of 116.10 Million Baht, representing 341.67 Baht per share.

A total sale price of this transaction approximately about 1,704.67 Million Baht (More information in Shareholder list in each company no.4, detail of disposal assets)

This initially set the sales price of assets from Net Present Value (NPV) of cash flow from operations and investments in the Companies during the term of their power purchase agreements (PPA), as of 30 September 2020 plus Net Working Capital, Outstanding Cash under Clause, Ending balance of Debt Service Reserve Account (DSRA) of the Companies and minus by long term debt of the Companies.

Term of payment as follows:

1. First payment of 315 Million Baht on signing of sale and purchase agreement (SPA) and approval by the shareholders' meeting.
2. Second payment as the remaining amount will be occurred after PDIE shares have been completely transferred subsidiary's share to BC.

- Other Conditions

1. BC has to be responsible for handling corporate taxes such as land taxes and etc.
2. Following the closing of transaction, in order to eliminate the conflict of interest, PDI will focus its business on Hotel and Hospitality and will not conduct any renewable energy business activities which have direct impact to the operations of ATCE, PDIMR and PPS.
3. There is no remaining loan from related parties in ATCE, PDIMR and PPS.

4.2 General Characteristic of the Transactions

This transaction is considered pursuant to the Notification of the Capital Market Supervisory Board TorChor.20/2551 Re: Rules on Entering into Major Transactions Deemed as Acquisition or Disposal of Assets, as amended, and the Notification of the Board Governors of the Stock Exchange of Thailand Re: Disclosure of

Information and Other Acts of Listed Companies Concerning the Acquisition or Disposal of Assets, B.E. 2547 (2004), dated October 29, 2004, as amended. (collectively referred to as the “**Notifications on Assets Acquisition or Disposal**”). In addition, this transaction is noted to become a connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governor of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546, as amended,

4.2.1 Consideration of calculation of Disposition Asset Transaction as follows:

1. The sale of ATCE to BC for 99.99 percent

Criteria	Calculation	Transaction Size	Transaction Size (%)
1. Net Tangible Asset	$\frac{\text{NTA of investment in the company} \times \text{Proportion of assets disposed} \times 100}{\% \text{ NTA of the Listed Company}}$	100×627.57	15.78
		3,977.06	
2. Net Profit Basis	$\frac{\text{Net operating profits of the investment} \times \text{Selling ration} \times 100}{\text{Net operating profits of the listed company}}$	100×102.13	86.39
		118.22	
3. Total Value of Consideration Basis	$\frac{\text{Value of Transaction Paid} \times 100}{\text{Total Assets of listed Company}}$	$1,280.01 \times 100$	17.49
		7,319.52	
4. Value of Issued Equity Basis	No new issuance of shares		

2. The sale of PDIMR to BC for 99.99 percent

Criteria	Calculation	Transaction Size	Transaction Size (%)
1. Net Tangible Asset	$\frac{\text{NTA of investment in the company} \times \text{Proportion of assets disposed} \times 100}{\% \text{ NTA of the Listed Company}}$	100×191.59	4.82
		3,977.06	
2. Net Profit Basis	$\frac{\text{Net operating profits of the investment} \times \text{Selling ration} \times 100}{\text{Net operating profits of the listed company}}$	100×48.73	41.21
		118.22	

3. Total Value of Consideration Basis	Value of Transaction Paid X 100	308.56 x 100	4.22
	Total Assets of listed Company	7,319.52	
4. Value of Issued Equity Basis	No new issuance of shares		

3. The sale of PPS to BC for 99.94 percent

Criteria	Calculation	Transaction Size	Transaction Size (%)
1. Net Tangible Asset	NTA of investment in the company x Proportion of assets disposed x 100	100 x 67.53	1.70
	% NTA of the Listed Company	3,977.06	
2. Net Profit Basis	Net operating profits of the investment x Selling ration x 100	100 x 9.78	8.28
	Net operating profits of the listed company	118.22	
3. Total Value of Consideration Basis	Value of Transaction Paid X 100	67.86 x 100	1.59
	Total Assets of listed Company	7,319.52	
4. Value of Issued Equity Basis	No new issuance of shares		

4.2.2 Consideration of calculation of Disposition Asset in Connected Transaction

1. A disposal of entire shares, representing 99.99 percent of ATCE, at the total approximately sale price is 1,280.01 Million Baht.
2. A disposal of entire shares, representing 99.99 of PDIMR, at the total approximately sale price is 308.56 Million Baht.
3. A disposal of entire shares, representing 99.99 of PPS, at the total approximately sale price is 116.10 Million Baht.

A total sale price of this transaction approximately about 1,704.67 Million Baht, which exceeds Baht 20,000,000 and exceeds 3 percent of the NTA of the Company, based on the audited consolidated financial statements of the Company for the nine months ended September 30, 2020.

5. Details of Assets

5.1.1 ATC Enviro Company Limited

Address	:	CTI Tower, 26th-27th floor, 191/18-25 Ratchadaphisek Road, Khlong Toei, Bangkok 10110
Asset Detail	:	PDI Prachinburi 1, 2, 3 (3 Locations) with the total installed capacity of 19MW located in Prachinburi Province. PDI Samut Sakhon 1, 2 (2 Locations) with the total installed capacity of 10MW located in Samut Sakhon Province.
Type of business	:	Design and installation of renewable energy power plants
Directors	:	1. Mr. Manoch Jaroonvuthitham 2. Mr. Tommy Taechaubol 3. Mr. Anek Sasichaon 4. Mr. Parinya Seemuang Two Directors to sign together with the Company Seal.

List of Shareholders:

Name	No. of Shares	% of Total Shares
1. PDI Energy Company Limited	4,352,400	99.99
2. P.P. Solar (Nong-No) Company Limited	100	0.00
3. PDI Materials Company Limited	100	0.00
Total	4,352,600	100.00

Source: information from PDI

Summary of Financial Statements of ATCE as of 30 September 2020 as per below;

Unit: Million Baht

Financial Statement (only Company)	As of 31 December			As of 30 September
	2017	2018	2019	2020
Total Assets	1,796.33	1,630.50	1,622.53	1,490.96

Financial Statement (only Company)	As of 31 December			As of 30 September
	2017	2018	2019	2020
Intangible Assets	-	-	-	-
Total Liabilities	1,278.22	1,039.59	937.36	863.39
Total shareholders' equity	518.11	590.91	685.17	627.57
Total Revenue	244.65	240.16	244.43	194.26
Total Expense	(102.58)	(101.44)	(95.74)	(71.82)
Net profit (loss)	68.03	72.80	94.26	86.05

Source: information from PDI (reviewed by Auditor)

5.1.2 PDI Mae Ramat company Limited

Address	:	CTI Tower, 26th-27th floor, 191/18-25 Ratchadaphisek Road, Khlong Toei, Bangkok 10110
Asset Detail	:	PDI Mae Ramat (Tak) with the total installed capacity of 6.3MW Located in Tak Province.
Type of Business	:	Solar power plant
Directors	:	1. Mr. Manoch Jaroonvuthitham 2. Ms. Weena Suksawasadi Na Ayuthaya 3. Mr. Tommy Taechaubol 4. Mr. Anek Sasichaon
		Two Directors to sign together with the Company Seal.

List of Shareholders:

Name	No. of Shares	% of Total Shares
1. PDI Energy Company Limited	1,049,898	99.99
2. JSX Energy (Thailand) Company limited	100	0.00
3. Mr. Suradit Seedamaat	1	0.00
4. Mr. Atiphat Thiankhantagarn	1	0.00
Total	1,050,000	100.00

Source: information from PDI

Summary of Financial Statements of PDIMR as of 30 September 2020 as per below

Unit: Million Baht

Financial Statement (only Company)	As of 31 December			As of 30 September
	2017	2018	2019	2020
Total Assets	396.85	414.02	346.88	348.90
Intangible Assets	4.48	3.62	3.44	3.31
Total Liabilities	256.84	235.32	190.87	157.32
Total shareholders' equity	144.49	182.32	159.44	194.89
Total Revenue	81.08	74.56	79.15	58.33
Total Expense	(24.43)	(24.89)	(23.52)	(16.95)
Net profit (loss)	41.63	37.83	45.37	35.45

Source: information from PDI (reviewed by Auditor)

5.1.3 P.P. Solar (Nong-No) Company Limited

Address	:	CTI Tower, 26th-27th floor, 191/18-25 Ratchadaphisek Road, Khlong Toei, Bangkok 10110
Asset Detail	:	PDI Khon Kaen with the total installed capacity of 1MW Located in Khon Kaen Province.
Type of Business	:	Solar power plant
Directors	:	1. Mr. Manoch Jaroonvuthitham 2. Mr. Tommy Taechaubol 3. Mr. Anek Sasichaon 4. Mr. Parinya Seemuang Two Directors to sign together with the Company Seal.

List of Shareholders:

Name	No. of Shares	% of Total Shares
1. PDI Energy Company Limited	339,800	99.94
2. PDI Materials Company Limited	100	0.03
3. ATC Enviro Company Limited	100	0.03
Total	340,000	100.00

Source: information from PDI (reviewed by Auditor)

Summary of Financial Statements of PPS as of 30 September 2020 as per below

Unit: Million Baht

Financial Statement (only Company)	As of 31 December			As of 30 September
	2017	2018	2019	2020
Total Assets	86.12	83.91	87.75	67.86
Intangible Assets	-	-	-	-

Financial Statement (only Company)	As of 31 December			As of 30 September
	2017	2018	2019	2020
Total Liabilities	42.79	32.54	27.30	0.33
Total shareholders' equity	43.33	51.37	60.45	67.53
Total Revenue	17.61	17.77	18.13	13.54
Total Expense	(7.67)	(9.01)	(8.57)	(6.34)
Net profit (loss)	8.61	8.04	9.08	7.08

Source: information from PDI

6. Total Value of Consideration and Payment

Total sale price is approximately 1,704.67 Million Baht, the value of consideration is adjusted Book Value as of 30 September 2020. This initially set the sales price of assets from Net Present Value (NPV) of cash flow from operations and investments in the Companies during the term of their power purchase agreements (PPA), as of 30 September 2020 plus Net Working Capital, Outstanding Cash under Clause, Ending balance of Debt Service Reserve Account (DSRA) of the Companies and minus by long term debt of the Companies.

Term of payment as follows:

1. On the date of signing the share purchase agreement, BC must deliver a Bank Guarantee issued by a financial institution valued at 315.00 million baht to the seller. Within three business days after the shareholders' meeting of the Company and BAFS approves the transaction, BC will transfer a deposit of 315.00 million baht to the seller (**“Deposit”**) and PDIE will return the bank guarantee to BC. Nevertheless, BC will receive the bank guarantee from PDIE; if the shareholders' meeting of BAFS and PDI do not approve the transaction or refund the deposit if the transaction is not successful due to the fault of the seller.
2. Residual amount of 1,389.67 Million Baht will be paid after PDIE have been completely transferred the subsidiary company's share to BC.

7. Basis for Determination of the Value of Consideration

The value of consideration is negotiated between the Company and the seller under the Arm-Length Negotiation Basis. For consideration about the fair Value of these three companies, they were determined by Total Value of Consideration Basis in ATCE, PPS and PDIMR shares, which is based on the Net Present Value (NPV) method of operating cash flows and investments in the company during the term of the Power Purchase Agreement (PPA).

8. Value of the Assets Disposed

7.1 Disposal of ATCE share at about 1,280.01 Million Baht .

7.2 Disposal of PDI Mae Ramat Company Limited share at about 308.56 Million Baht.

7.3 P.P. Solar (Nong-No) Company Limited share at about 116.10 Million Baht.

Total values of disposal assets are approximately 1,704.67 Million Baht.

9. The Expected Benefits on the Company

To increase management efficiency under the current economic situation; in this regard, PDI will invest in another project, which is expected a better return.

10. Plan on Utilization of Proceeds from the Disposition of Assets

The company will utilize the proceeds from the disposal of investments in the hotel business as working capital and for expanding of the business of the company according to the company's policies.

11. Directors having interest and/or Being Related Persons who did not attend and vote at the meeting

None

12. Opinion of the Company's Board of Directors on the Entry into the Transaction

The Board of Directors has considered that entering into this connected transaction is a reasonable action and also increasing management efficiency, which is a beneficial to the business operation of the company.

13. Opinion of the Company's Audit Committee which is different from the Opinion of the Board of Directors

No member of the Audit Committee has a different opinion from that of the Board of Directors.

14. Pending Material Lawsuits or Claims

None



15. Interests or Connected Transactions between the Listed Company and Directors, Management and Shareholder Directly and indirectly holding shares amounting to 10.00 percent to more, including the nature of the transaction or the interests

None

The Board of Directors has acknowledged and considered this Information Memorandum sent to the Shareholders with accuracy and reliability information, which shall not cause any misunderstanding in disclosure. All the disclosure information has been approved by the Board of Director's Meeting No.06-2020 held on December 3, 2020.

Sincerely Yours,

Padaeng Industry Public Company Limited

(Mr. Tommy Taechaubol)

Managing Director