

TRITON

TRITN-SET 004/2563

February 17, 2020

Subject: Notification on Shares Acquisition in Akkarawat Renewable Energy Power Plant Company Limited
(as requested by SET to clarify news or information)

To: President
The Stock Exchange of Thailand

Triton Holding Company Limited (“Company”) hereby reports to The Stock Exchange of Thailand (“SET”) that Company has a policy to proceed in the energy business by investing in biogas power plant business because the company has strengths in quality, expertise and high experience working team in biogas power plant business. During the year 2019, the Company invested in the Nongree Power Plant Company Limited (“NRPP”) in 80 percent of the registered capital. It appears that throughout the period since the company invested, NRPP was able to generate higher return than the target set and provide consistent return to the company which mean that the policy regarding investment in biogas power plant business is successful.

Subsequently, on January 24, 2020 at 10:00 am, Board of Directors meeting approved the investment plan for the acquisition of shares in biogas power plant business of Akkarawat Renewable Energy Power Plant Company Limited (AKW Power Plant Business) in accordance with the above policy. TPW a Company’s subsidiary hold shares of 99.99 percent of its registered capital, entered into a joint venture agreement with conditions precedent [which the preceding conditions consist of important conditions such as \(1\) AKW Power Plant Business shall deliver financial statements of the year 2019 which have been audited by the auditor to TPW before the date of share transfer. \(2\) TPW shall conduct an inspection of the AKW Power Plant Business in engineering, legal, valuation, accounting and tax and shall completed before share transfer \(3\) Share transfer of AKW Power Plant Business shall be free of debt, etc.](#) When conditions precedent have been completed, it will consider that the TPW transaction definitely occur [and will proceed to receive the transfer of shares of the AKW Power Plant Business.](#) Currently [conditions precedent have been completed; therefore,](#) TPW has acquired shares in the AKW Power Plant Business on February 17, 2020, with the following details:

1. Shares Acquisition in AKW Power Plant Business by purchasing ordinary shares and transferring ordinary shares from existing shareholders in total of 37,500 shares with a par value of 100 baht per share, representing 75% of the total registered capital of 686 baht per share and total amount of 25,725,000 baht.
2. Shares Acquisition in AKW Power Plant Business by purchasing ordinary shares to increase capital in total of 1,087,500 shares with a par value of 100 baht per share, representing 75% of the total registered capital of 100 baht per share and total amount of 108,750,000 baht.

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In this regard, the acquisition of shares in AKW Power Plant Business, TPW has made payment for the share acquisition according to items 1 and 2 in order to acquire a total of 134,475,000 baht.

Currently, the AKW Power Plant Business temporarily ceased its Commercial Operation Date (COD) because AKW Power Plant Business has the failure of engineering design and environmental management causing production cost income doesn't meet the target and the production of electricity is not full capacity at this time. AKW Power Plant Business begins to renovate the power plant in part of engineering design and new engineering management, anaerobic digestion system or digester to create biogas with the desired amount according to engineering principles, increasing number of machines and equipment related to process of electricity generation including the purchase of 32 rai 3 ngan 20 square wah land (AKW Power Plant is now located in the said land. Formerly, AKW Power Plant has entered into a 10-year long-term lease from the founder of AKW Power Plant.). Under the management of a new executive, AKW Power Plant Business will able to resume COD operations and expected to resume operations in Q4/2020. The AKW Power Plant Business will use funds which received from the capital increase in the amount of 1,450,000 shares, with a par value of 100 baht per share, in total of 145,000,000 baht which is used for the power plant operation and purchase for the said land as mentioned above

Nevertheless, temporarily stop COD doesn't affect a status of the Power Purchase Agreement (PPA) which AKW Power Plant Business has with the Provincial Electricity Authority (PEA). The Power Purchase Agreement is still enforceable; therefore, in practice AKW Power Plant Business has been renovated as planned. AKW Power Plant Business will notify PEA to let PEA purchase electricity under Power Purchase Agreement further.

Although, in the past period AKW Power Plant Business had experienced problems and had to temporarily stop its operations but TPW is confident that new management team and working team will oversee AKW Power Plant Business and will be able to improve AKW Power Plant back to COD and has the same good performance as NRPP. In addition, the value which TPW invest in this time is considered to be lower than the real value and TPW will gain complete control over the AKW Power Plant Business which is very good reason and opportunity for TPW to invest in this time

Details of the above transaction are described as follows:

- A. The above transactions are not considered a connected transaction of the listed companies pursuant to the Notification of the Capital Market Supervisory Board No. ThorJor. 21/2551(2008) Re: Rules on entering into Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2546 (2003), because the contractual parties are not related persons and do not have relationship with the management, directors, major shareholders and controlling persons of the Company and its subsidiaries.

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- B. The above transactions are considered an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. ThorJor. 20/2551 (2008) Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Company concerning the Acquisition and Disposition of Assets, B.E. 2547 (2004) and amended version. In the calculation of the acquisition transaction size based on the value of considerations basis, the size is 5.38 percent of the net tangible asset (based on the latest consolidated financial statement ended 30 June 2019). During the previous 6 months, the Company has a total of 1 transaction with the highest transaction size equal to 8.82 percent according to the value of net tangible asset and the transaction size equal to 14.20 percent. Therefore, the Company is not required to disclose information pursuant to the Notification of Capital Market Supervisory Board No.Tor Chor. 20/2551 (2008).
- C. The above transactions are considered the transactions of a listed company or its subsidiary involving the acquisition of another company; as a result, the Company is required to disclose information to the Stock Exchange of Thailand pursuant to Regulation of the Stock Exchange of Thailand Bor.Jor./Por.11-00 Re: Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company B.E. 2560 (2017) with details as follows:

1. Date of Transaction

After conditions precedent have been completed, TPW acquired the first part by transferring the ordinary shares of the AKW Power Plant Business on February 17, 2020 and acquired the second part by purchasing the additional ordinary shares of the AKW Power Plant Business within February 2020

2. Parties involved and/or Relationship with the Company

2.1 Purchase of shares from existing shareholders

No.	Purchaser	Seller	Number of shares (before) sale	Number of shares (after) sale	Relationship
1	Triton Power Company Limited (TPW)	STRR ENGINEERING Company Limited (STRR)	37,499	12,499	A shareholder of the AKW Power Plant Business and a shareholder in Nongree Power Plant Company Limited, a subsidiary of TPW which STRR holding 25% of the registered capital after the capital increase

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2	Triton Power Company Limited (TPW)	Mr.Kittipet Sirathanasade	1	-	A shareholder of the AKW Power Plant Business.
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Relationship between purchaser and seller: The purchaser and the seller are not connected person pursuant to the Notification of the Capital Market Supervisory Board No. ThorJor. 21/2551(2008) Re: Rules on entering into Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2546 (2003).

Important information of the Seller No.1 is as follows:

Name: STRR Engineering Company Limited
 Address: 108, Khumklao Road, Saensab, Minburi, Bangkok
 Registered Capital: 90,000,000 Baht
 Number of shares: 900,000 shares at a par value of 100 Baht
 Director: Mr. Sittiporn Jaratpridalap
 Authorized Signatories: A signature and company seal is required for validation.
 Shareholder:

1. Mr. Sittiporn Jaratpridalap	holding 380,000 shares
2. Ms. Rujirek Jaratpridalap	holding 380,000 shares
3. Mrs. Yaowaporn Jaratpridalap	holding 80,000 shares
4. Mr. Sontopat Jaratpridalap	holding 60,000 shares

Important information of the Seller No.2 is as follows:

Name: Mr. Kittapet Sirathanasade
 Address: 93/290 Moo1 Ban Mai Subdistrict, Pak Kret District, Nonthaburi

2.2 Purchase of new ordinary shares

Purchaser: Triton Power Company Limited
Seller: Akkarawat Renewable Energy Power Plant Company Limited
 (Issuer of new ordinary shares)

Relationship between purchaser and seller: The purchaser and the seller are not connected person pursuant to the Notification of the Capital Market Supervisory Board No. ThorJor. 21/2551(2008) Re: Rules on entering into Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2546 (2003).

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Important information of the Issuer of ordinary shares is as follows:

Name:	Akkarawat Renewable Energy Power Plant Company Limited		
Address:	99/1 Moo8 Sa Krachom Subdistrict, Don Chadi Distict, Suphan Buri		
Registered Capital:	5,000,000 Baht		
Number of shares:	50,000 shares at a par value of 100 Baht		
Director:	Mr. Sittiporn Jaratpridalap		
Authorized Signatories:	A signature and company seal is required for validation.		
Shareholder:	1. STRR Engineering Company Limited	holding	49,998 shares
	2. Mr. Sittiporn Jaratpridalap	holding	1 share
	3. Mr. Kittapet Sirathanasade	holding	1 share

3. General Characteristics of Transaction

After conditions precedent have been completed, TPW has divided into 2 parts as follows:

- First part is the purchase and transfer of ordinary shares of AKW Power Plant Business from the existing shareholders in the number of 35,000 shares with a par value of 100 baht per share, representing 75% of the registered capital at the price of 686 baht per share, in total of 25,725,000 baht on February 17, 2020.
- Second part is the purchase of the newly issued ordinary shares of AKW Power Plant Business by the purchase of 1,087,500 newly issued ordinary shares with a par value of 100 baht per share, representing 75% of the registered capital at the price of 100 baht per share, in total of 108,750,000 baht.

After the aforesaid process has been completed, AKW Power Plant Business will become a direct subsidiary of TPW and an indirect subsidiary of the Company which has three directors from TPW or the Company namely, (1) Ms. Louise Taechaubol, (2) Mr. Chirdsak Kukiattinun, and (3) Mrs. Narumol Chattawan and one director from the existing shareholder namely, Mr. Sittiporn Jaratpridalap.

Such transactions are considered an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. ThorJor 20/2551 (2008) Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Company concerning the Acquisition and Disposition of Assets, B.E. 2547 (2004) and amended version. In the calculation of the acquisition transaction size based on the value of considerations basis, the size is 5.38 percent of the net tangible asset (based on the latest consolidated financial

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statement ended 30 June 2019). During the previous 6 months, the Company has a total of 1 transaction with the highest transaction size equal to 8.82 percent according to the value of net tangible asset and the transaction size equal to 14.20 percent. However, the calculation of the transaction size consists of 4 bases as follows:

Order	Basis of transaction size calculation	Calculation formula (Unit: Thousand Baht)	Transaction size
1	Calculation based on the value of net tangible assets (NTA)	(NTA* of investment in the company x Proportion of assets acquired or disposed) x / NTA of the listed company = 6,815 x 0.75/1,539,393	0.33
2	Calculation based on net operating profits	(Net operating profits of the investment x Buying or selling ratio/ Net operating profits of the listed company	N/A
3	Calculation based on total value of consideration paid or received	Value of transaction paid or received/ Total assets of listed company = 134,475/2,500,636	5.38
4	Calculation based on value of equity shares issued for the payment of assets	Equity shares issued for the payment of assets/Paid-up shares of the company	N/A

Financial information for calculation

(Unit: thousand Baht)	September 30, 2019 (Reviewed) Company	December 31, 2019 (Audited) AKW Power Plant Business
Total assets	2,500,636	6,892
Intangible assets	1,401	-
Total liabilities	940,085	77
Non-controlling interests	19,757	-
Value of net tangible assets (NTA)	1,539,393	6,815
Net profit (Latest 4 quarters)	41,533	(531)

4. Details of the Assets Being Acquired

Company name

Akkarawat Renewable Energy Power Plant Company Limited

Company incorporation

22 May 2008 with Juristic Person Registration No. 0105551048887

Location

Head office: 99/1 Moo8 Sa Krachom Subdistrict, Don Chadi District, Suphan Buri

Registered capital

Baht 5,000,000

Number of shares and share value

50,000 shares at a par value of Baht 100 per share

Nature of business

AKW Power Plant Business generates and sells electricity to Provincial Electricity Authority (PEA), which the electricity is generated by biogas incineration from concentrated distillery slop with a generating maximum capacity of 4.9 megawatt. AKW Power Plant Business started Commercial Operation Date (COD) to PEA on 4 June 2010 and AKW Power Plant Business entered into a sale contract with the Provincial Electricity Authority (PEA) for 5 years (can extended for 5 years at a time). The electricity purchase rate is based on the basic of PEA purchase price which will change due to the PEA policy about purchase price. AKW Power Plant Business is located at 99/1 Moo8 Sa Krachom Subdistrict, Don Chadi District, Suphan Buri.

Currently, the AKW Power Plant Business temporarily ceased its Commercial Operation Date (COD) because of the failure of engineering design and environmental management. The AKW Power Plant Business is on process of renovating its engineering design to increase an efficiency of biogas production as well as changing a technology to eliminate contaminant in biogas to comply with the requirement and environmental standard. The construction of anaerobic digestion system or new biogas digester will provide enough biogas to produce 4.9 MW of electricity according to continue distributing to Provincial Electricity Authority and to change electricity generation by using technology from Germany to help save biogas fuel and have an automatic control system (PLC) to reduce an error of operation system with engineering improvement and also environmentally friendly including the purchase of 32 rai 3 ngan 20 square wah land. Under the management of a new executive, AKW Power Plant Business will be able to resume COD operations and expected to resume operations in Q4 / 2020.

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Shareholding structure and management

NRPP's shareholders	Prior to the Acquisition of Assets		After the Acquisition of Assets (After capital increase amounted to 1,100,000 shares)	
	No. of shares	%	No. of shares	%
STRR	49,998	99.990%	374,999	24.99%
Mr. Sittiporn Jaratpridalap	1	0.005%	1	0.01%
Mr. Kittapet Sirathanasade	1	0.005%	-	-
TPW	-	-	1,125,000	75.00%
Total	50,000	100.00%	1,500,000	100.00%

Name of Directors

Before Transaction	After Transaction
1. Mr. Sittiporn Jaratpridalap	<ol style="list-style-type: none"> 1. Ms. Louise Taechaubol 2. Mr. Chridsak Kukiattinun 3. Mrs. Narumol Chattawan 4. Mr. Sittiporn Jaratpridalap

Powers of Directors

Before transaction	After transaction
A signature and company seal are required for validation.	Ms. Louise Taechaubol or Mr. Chridsak Kukiattinun or Mrs. Narumol Chattawan, a signature from one director with Mr. Sittiporn Jaratpridalap and company seal are required for validation.

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Financial Statements and operating results

The Financial Statements and operating results as of 31 December 2018 according to the audited Financial Statements are as follows:

NRPP (Unit : Thousand Baht)	31 Dec 2019 (Audited)	31 Dec 2018 (Audited)	31 Dec 2017 (Audited)
Total assets	6,892	9,109	10,207
Total Liabilities	77	1,763	1,215
Registered capital	5,000	5,000	5,000
Paid-up capital	5,000	5,000	5,000
Shareholders' equity	6,815	7,346	8,992
Total revenues	1,011	-	18
Total expenses	1,542	1,645	12,833
Profit (loss) before tax expense	(531)	(1,645)	(12,815)
Net profit (loss)	(531)	(1,645)	(12,815)
Book value per share	136.30	146.92	179.83

5. Total value and the measurement of total value

Total value of consideration that TPW is required to pay to enter into this transaction is Baht 134,475,000 which the payment is divided into two parts;

- First part is the purchase and transfer of ordinary shares of AKW Power Plant Business from the existing shareholders in the number of 35,000 shares with a par value of 100 baht per share, representing 75% of the registered capital at the price of 686 baht per share, in total of 25,725,000 baht on February 17, 2020.
- Second part is the purchase of the newly issued ordinary shares of AKW Power Plant Business by the purchase of 1,087,500 newly issued ordinary shares with a par value of 100 baht per share, representing 75% of the registered capital at the price of 100 baht per share, in total of 108,750,000 baht.

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The measurement of the total value of the transaction is mutually prescribed and agreed by the purchaser and the seller which considers appropriate in amount of Baht 134,475,000 which is the most suitable value according to TPW's financial analysis data and TPW will be able to payback an investment in 6.98 years and has a return on investment (IRR) of 17.45%.

The measurement for determining the sale and purchase price of ordinary shares of AKW Power Plant Business in addition to determine and mutually agree between the buyer and seller, the Company considered the appropriateness of the purchase price of ordinary shares on the basis of business valuation which assessed by an internal department of the Company. The most suitable method for business evaluation is Discount Cash Flow Approach (DCF). The main assumptions are (1) Estimation period which has a period of 35 years (2) Revenue from electricity sales according to the Power Purchase Agreement (PPA) with production hours equal to 6,793 hours per year by determining the electricity price during Peak period is 4.22 baht per kilowatt hour and Off- Peak period is 2.36 baht per kilowatt hour. (3) Costs and expenses include cost of ethanol waste water, management and operating expense and maintenance (4) Corporate income tax which is a method that considers the future business performance by calculating the present value of the net cash flow projections with an appropriate ratio. The business valuation of the AKW power plant is 302.92 - 323.69 million baht and the specific business valuation is 75% of the total shares is 227.19 - 242.77 million baht.

6. Expected Benefits for the Company

TPW will benefit from this investment as it will provide stable and long-term income for TPW which good for shareholders and also increase potential of the existing energy business. Therefore, the acquisition of AKW Power Plant Business is in accordance with the policy of TPW to become a leader in the bio power plant business and has plans to continuously expand the investment in the bio power plant business.

Although, AKW Power Plant Business had temporarily stopped COD but TPW has a highly qualified, skilled and experienced team in the operation of biogas power plant business which will be able to help solve **problem** and also manage defects that occurred in the past. Therefore, TPW foresees the opportunity which may occur in the future when the AKW Power Plant Business resumed operation COD again.

7. Source of Fund

The Company will use the current funds of not more than Baht 135,000,000, which is the money remaining from Asset Disposition of Investment in Ordinary Shares of Splash Media Public Company Limited in the fourth quarter of 2018, combined with working capital in the business.

However, in the future TPW will continue to follow the policy to expand an investment in the biogas power plant business. TPW still has a potential to find funds and / or other loan sources and / or use the capital increase received from the capital increase in the amount of 560 million baht after the shareholders meeting has a resolution to change the objectives and the plan to use the capital increase

8. Opinion of the Board of Directors Regarding the Transaction

As the Board of Directors approved the plan for investing in the biogas power plant of AKW Power Plant Business, Board of Directors considers that the Investment in shares in the biogas power plant business of AKW Power Plant Business is appropriate and beneficial to the Company as the new business expansion is the Company's strategy and plan, and this investment will strengthen revenue growth and profitability for the long term, resulting in good return to the Company as well as diversifying business risks. In addition, Board of Directors is still confident that the AKW Power Plant Business will be able to resume COD as planned because of the power plant management methods and the Company will send a team management of Nongree Power Plant Co., Ltd (NRPP) to takes care and manages every step. Therefore, AKW Power Plant Business will generate good returns as NRPP.

9. Opinion of the Audit Committee which differ from Board of Directors in article 8

None

Please be informed accordingly.

Sincerely yours,

(Mr. Chirdsak Kukiattinun)

Chief Executive Officer