

**Invitation to the Extraordinary General Meeting of  
Shareholders no. 2/2017  
QTC Energy Public Company Limited**

**29 August 2017 at 14.00 hours**

**Ballroom, 3rd Floor, The Grand Fourwings Convention Hotel**

**Srinakarin Road, Bangkok**

No. QTC CS 037/2560

11 August 2017

Subject: Invitation to the Extraordinary General Meeting of Shareholders No. 2/2017

Attention: Shareholders  
QTC Energy Public Company Limited

- Enclosure:
1. Copy of Minutes of the Extraordinary General Meeting of Shareholders No.1/2017
  2. Information Memorandum of QTC Energy Public Company Limited Re: the purchase of entire shares in L Solar 1 Co., Ltd. to invest in a solar power plant project with contracted capacity of 8 Megawatt in Kabinburi, Prachinburi province
  3. Opinions of the Independent Financial Adviser on the purchase of entire shares in L Solar 1 Co., Ltd. to invest in a solar power plant project with contracted capacity of 8 Megawatt in Kabinburi, Prachinburi province
  4. Documents for the Consideration of Agenda 2 and Agenda 5
  5. Information Memorandum of the Issuance and Offering of the New Ordinary Shares through Private Placement and for Adjustment of Warrants to Purchase Ordinary Shares in QTC Energy Public Company Limited No.1 ("QTC-W1")
  6. Capital Increase Form (Form F 53-4)
  7. Proxy Form
  8. Profile of Independent Director (who will be Proxy of shareholders)
  9. Documents or evidences required for Shareholders' identification to attend the Extraordinary General Meeting of shareholders No. 2/2017
  10. Articles of Association of QTC Energy Public Company Limited related to the Shareholders' Meeting
  11. Map of the Meeting Venue

Following the resolutions of the Board of Directors' Meeting of QTC Energy Public Company Limited ("**Company**"), it was agreed that the Extraordinary General Meeting of Shareholders No. 2/2017 shall be held on 29 August 2017 at 14.00 hours at Ballroom, 3rd Floor, The Grand Fourwings Convention Hotel, Srinakarin Road, Bangkok, to consider the agendas set out below.

**Agenda 1      To acknowledge the Minutes of Extraordinary General Meeting of Shareholders No.1/2017**

**Facts and reasons:** The Extraordinary General Meeting of Shareholders No.1/2017 was held on 31 May 2017, and the minutes of the Meeting was sent to the Stock Exchange of Thailand within the period specified by law. The Board of Directors has reviewed such Minutes, were correctly recorded in accordance with the resolutions of the EGM 1/2017. The Company has posted the Minutes on the Company's website (<http://www.qtc-energy.com>) so as to disclose such Minutes to its shareholders and investors. There were no comments and objections.

**Board's opinion:** The Board of director was of the view that the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2017, held on 31 May 2017, should be proposed to the shareholders' meeting to acknowledge such Minutes (as detailed in Enclosure 1).

**Resolution:** This agenda is for an acknowledgment, so there is no resolution in this agenda.

Due to the facts that the matters to be considered and approved in in Agenda Item No. 2 to Agenda Item No. 5 are the matters relating to the purchase of the entire shares of L Solar 1 Co., Ltd. ("**L Solar 1**"), if the shareholders' meeting do not approve the purchase such shares in L Solar 1 by QTC Global Power Co., Ltd., a subsidiary of the Company ("**QTCGP**" or "**Subsidiary**"), the Company is no longer required to increase its capital. This is because such capital increase is made for the purpose of providing financial support to QTCGP. However, if the shareholders approve the entry into such transaction by QTCGP, but do not approve the capital increase and allotment of new shares by way of private placement, the acquisition of L Solar 1 will not occur as the terms of the share purchase agreement can not be fulfilled. In considering Agenda Item No. 2 to Agenda Item No. 5, if any agenda is not approved by the shareholders' meeting, other agenda, which are related to and conditional upon each other and have been approved, shall be deemed canceled. The other agenda, which are related to and conditional upon the disapproved agenda, shall no longer be required further consideration by the shareholders' meeting.

**Agenda 2      To consider and approve the purchase of entire shares in L Solar 1 Company Limited by QTC Global Power Co., Ltd.**

**Facts and reasons:** QTC Global Power Co., Ltd ("**QTCGP**"), which is a subsidiary of the Company, is interested to invest in a solar power plant project with contracted capacity of 8 Megawatt in Kabinburi, Prachinburi province ("**Project**"). The QTCGP entered into Share Purchase Agreement of shares of L Solar 1 Co., Ltd. ("**L Solar 1**") ("**Share Purchase Agreement**") on [•], as detailed in Enclosure 4, to acquire all shares of L Solar 1 from all existing shareholders, namely, Loxley Public Company Limited ("**LOXLEY**"), Leonics Co., Ltd. ("**LEONICS**") and Col. Prasert Shusang or his designated person (collectively called "**Sellers**") with a total value of Baht 538.01 million, divided into a payment of Baht 287.09 million in cash and Baht 250.93 million in newly issued ordinary share. According to the Company's newly issued ordinary shares, the Company will increase its registered capital for the offering for sale of 17,019,702 shares and 3,890,773 to (1) LOXLEY and (2) LEONICS, respectively, through Private Placement at the price of 12 Baht per share. This transaction is considered the Private Placement Offering at the price that lower than 90% of the market price, where the market price is the weighted average price of ordinary shares of the Company for the period of 7 days prior to the date that the board of directors of the Company resolved to approve to propose the shareholders' meeting for approval on issuance and offering of the newly issued shares (during 8 June 2017 – 16 June 2017).

Pursuant to the Notification of the Capital Market Supervisory Board no. Tor Chor. 20/2551 Re: rules on entering into major transactions which are considered as an acquisition or disposal of assets dated 31 August 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand re: disclosure of information and other acts of listed company in respect of an acquisition or disposal of assets B.E. 2547 dated 29 October 2004 (as amended), the Company is required to disclose information as prescribed,

appoint an independent financial adviser to provide opinions on the acquisition of assets transaction and hold a meeting of shareholders to consider and approve the acquisition of assets transaction by a resolution of not less than three-fourths of the total number of votes of shareholders attending the meeting and eligible to vote, excluding interested shareholders' equity. This is because this transaction is categorised as type 1 transaction of which the highest value is 56.15 per cent of the total asset value of the Company according to the consolidated financial statements for the period ended 31 March 2017 (which is the highest transaction size in accordance with total value of consideration criteria), as detailed in **Enclosure 2**.

To proceed with the above action, the Company has appointed Capital Advantage Company Limited ("IFA"), an enlisted financial adviser approved by the Office of Securities and Exchange Commission, to be the independent financial adviser to provide opinions on the transaction, as detailed in **Enclosure 3**.

**The Board's Opinion:** the board of directors was of the view that the matters set out below shall be proposed to the shareholders' meeting for further consideration and approval:

- 1) QTCGP purchases the entire shares of L Solar 1 and proceeds the relevant activities as proposed.
- 2) The authorization of Mr. Poonphiphat Tantanasin or person(s) authorized by Mr. Poonphiphat Tantanasin, to have the authorizations to consider and decide on conditions and details related to the acquisition of shares of L Solar 1 and the arrangement on the source of funds, and have authorization to (1) negotiate, make agreements, and sign the documents and contracts related to the mentioned (2) sign applications and necessary documents in relation to the acquisition of shares of L Solar 1, including contacting and submitting any applications, waiver letters, other documents or evidences to the government agencies or other offices.

**Resolution:** This agenda requires the votes for approval of not less than three-quarters (3/4) of all shareholders attending the meeting and eligible to vote.

**Agenda 3      To consider and approve the increase of the Company's registered capital and the amendment to Clause 4 of the Company's Memorandum of Association so as to reflect the increase of registered capital**

**Facts and reasons:** According to Agenda Item No. 2, the acquisition of entire shares of L Solar 1, totaling Baht 538.01 million, the Company is required to issue and offer 20,910,475 newly issued ordinary shares of the Company for the offering for sale of 17,019,702 shares and 3,890,773 to (1) LOXLEY and (2) LEONICS, respectively, through Private Placement. Therefore, the Company has to increase its registered capital as to accommodate the issuance and offering of such shares. However, the issuance of new ordinary shares for offering by way of private placement will affect the rights of warrant holders who wish to purchase ordinary shares of QTC Energy Public Company Limited No. 1 ("QTC-W1"). Therefore, the Company is required to adjust the right under QTC-W1 in accordance with the Terms and Conditions Governing Rights and Obligations of the Warrant Issuer and Warrant Holders of Warrants to Purchase Ordinary Shares of QTC Energy Public Company Limited No. 1 ("**Warrant Terms and Conditions**") and issue 830,250 shares to reserve for the exercise of QTC-W1.

In addition, due to the increase of the registered capital above, the Company shall amend Clause 4 of the Company's Memorandum of Association so as to reflect the increase of registered capital according to the following details:

“Clause 4	Registered capital	359,240,725 Baht	(Three Hundred and Fifty Nine Million Two Hundred and Forty Thousand Seven Hundred and Twenty Five Baht)
	Divided into	359,240,725 Shares	(Three Hundred and Fifty Nine Million Two Hundred and Forty Thousand Seven Hundred and Twenty Five Shares)
	Par value per share	1 Baht	(One Baht)
	Separated into:		
	Ordinary shares	359,240,725 Shares	(Three Hundred and Fifty Nine Million Two Hundred and Forty Thousand Seven Hundred and Twenty Five Shares)
	Preferred shares	-	( - )”

**The Board’s Opinion:** the board of directors was of the view that the matters set out below shall be proposed to the shareholders’ meeting for further consideration and approval:

- 1) The increase of the Company’s registered capital of Baht 21,740,725 from the existing registered capital of Baht 337,500,000 to Baht 359,240,725 by issuing ordinary shares of 21,740,725 shares with par value of Baht 1 per share for offering 17,019,702 shares and 3,890,773 to (1) LOXLEY and (2) LEONICS, respectively, and reserving 830,250 shares for the exercise of QTC-W1 due to the adjustment of Terms and Conditions of QTC-W1 including listing such ordinary shares on the stock exchange .
- 2) The amendment to Clause 4 of the Company’s Memorandum of Association so as to reflect the increase of registered capital; and
- 3) The authorization to the Chairman of Executive Committee, or his designated person, to determine conditions and details relating to the capital increase as well as to amend the wordings or content in the minutes of shareholders’ meeting, memorandum of association and/or any application and to take any action as to comply with the registrar’s order in order to register the increase of Company’s registered capital with the Department of Business Development, Ministry of Commerce and to list the newly issued ordinary shares of the Company on the MAI and submit information and evidence to Securities and Exchange Commission , MAI, Ministry of Commerce or other relevant organization.

**Resolution:** This agenda requires the votes for approval of not less than three-quarters (3/4) of all shareholders attending the meeting and eligible to vote.

#### **Agenda 4      To consider and approve the allocation of ordinary shares of the Company**

**Facts and reasons:** Due to the increase of the Company’s registered capital of Baht 21,740,725 from the existing registered capital of Baht 337,500,000 to Baht 359,240,725 by issuing ordinary shares of 21,740,725 shares with par value of Baht 1 per share, the Board of Directors therefore recommends the meeting to consider and approve the allocation of 21,740,725 newly issue ordinary shares with a par value of Baht 1 per share for the offering for sale to private placement and to reserve for adjustment of warrants to purchase ordinary shares in the Company, as detailed in Enclosure 4-6.

**The Board's Opinion:** the board of directors was of the view that the allocation of 21,740,725 newly issue ordinary shares with a par value of Baht 1 per shall be proposed to the shareholders' meeting to consider and approve as follows;

- 1) to allot 20,910,475 ordinary shares for offering by way of private placement, namely (1) LOXLEY for 17,019,702 shares and (2) LEONICS for 3,890,773 shares, at the offering price of Baht 12.00 per share in accordance with the Notification of the Capital Market Supervisory Board No. Tor Chor. 39/2559 Re: Application for and Approval of Offer for Sale of Newly Issued Shares.

The allocation and offering of newly issued ordinary shares of the Company to private placement at the price of Baht 12 per share is an offering for sale of newly issued shares at discounted price of 11.68 percent, at the price that lower than 90% of the market price, as specified by the Notification of the Capital Market Supervisory Board No. Tor Chor. 72/2558 Re: the approval for the Private Placement of Listed Companies ("Notification of the Capital Market Supervisory Board No. Tor Chor. 72/2558"), where the market price is the weighted average price of ordinary shares of the Company for the period of 7 days prior to the date that the board of directors of the Company resolved to approve to propose the shareholders' meeting for approval on issuance and offering of the newly issued shares (during 8 June 2017 – 16 June 2017). This is in accordance with the Notification of the Capital Market Supervisory Board No. Tor Chor. 39/25511 Re: Calculation of Offer Price of Securities and Determination of Market Price for Consideration of Offer for Sale of Newly Issued Shares with Discount. In this regard, the market price of the ordinary shares is at Baht 13.59. Therefore, the allotment and offering of newly issued ordinary shares to private placement investors require the approval from the shareholders' meeting with no less than three-quarters (3/4) of all shareholders attending the meeting and eligible to vote, excluding the votes of interested shareholders, with no objection of the shareholders holding shares in aggregate of 10 percent of the total votes of the shareholders attending the meeting and eligible to vote. Details of the offering of the Company's newly issued ordinary shares to private placement by offering more than 10 percent discount from market price are presented on Information Memorandum of the Issuance and Offering of the New Ordinary Shares through Private Placement (Enclosure 5).

The allotment of newly issued ordinary shares to (1) LOXLEY and (2) LEONICS can be proceeded when the the Company obtains the shareholders' meeting's approval and the permission from Securities and Exchange Commission (SEC) for the offer of newly issued shares by way of private placement.

- 2) to allot 830,250 shares to reserve for adjustments of Terms and Conditions of Warrants to purchase the Company's ordinary share issued to the existing shareholder by way of rights issue (QTC-W1).

**Resolution:** This agenda requires the votes for approval of not less than three-quarters (3/4) of all shareholders attending the meeting and eligible to vote, excluding the votes of interested shareholders, with no objection of the shareholders holding shares in aggregate of 10 percent of the total votes of the shareholders attending the meeting and eligible to vote.

#### **Agenda 5      To consider and approve the appointment of new director**

**Facts and reasons:** Due to Agenda Item No. 2, the investment agreement of QTCGP, which is required the payment of the newly issued ordinary shares of the Company. In this connection, some investors are eligible to be the Company's shareholders and are entitle to nominate one person to be appointed as the Company's director. Therefore, Mr. Suroj Lamsam was nominated as the Company's director by those investors.

The Board of Directors has considered Mr. Suroj Lamsam's profile regarding education, training, proficiency, directorship positions/executives in listed companies and other companies, as well as the previous working experience. The Board of Directors is of the opinion that Mr. Suroj Lamsam is qualified in term of knowledge and ability to become a director of a listed company through his director training program. Currently, Mr. Suroj Lamsam is the the director of LOXLEY and has many years of management experience in various companies within LOXLEY groups. The Company, therefore, expects Mr. Suroj Lamsam will be able to bring his knowledge, talent and working experience to support the Company's operation and development.

After considering the qualifications of such persons, the Nomination and Remuneration Committee and the Corporate Governance are of the opinion that Mr. Suroj Lamsam is qualified in term of education, knowledge, skill, experience and he does not conduct any business or hold shares in any companies that compete with the Company's operating. The Nomination and Remuneration Committee therefore recommends that Mr. Suroj Lamsam to be appointed as the Company's additional director.

**The Board's Opinion:** the board of directors was of the view that the appointment of Mr. Suroj Lamsam to be a director of the Company shall be proposed to the shareholders' meeting for further consideration and approval. In this regard, after appointing of the Company's director, the total number of the Company's directors will be 8 persons.

**Resolution:** This agenda requires the approval by majority votes from the shareholders who attend the meeting and exercise their voting rights.

#### **Agenda 6   Other business (if any)**

You are therefore invited to attend the meeting on the date, time and place above. For a shareholder who wishes to appoint a proxy to attend and vote on their behalf, please complete the attached proxy form either form A or B and submit it to the Company before attending the meeting. A Foreign shareholder who appoints a custodian in Thailand to deposit and take care of his shares, please use the attached proxy form either form A or B or C as appeared in **Enclosure 7**.

If you are unable to attend the Extraordinary General Meeting of Shareholders No. 2/2017, you may appoint an independent director, whose name and details can be found in the **Enclosure 8**, as your proxy to attend and vote at the meeting on your behalf in.

The Company has determined the date for determining the names of shareholders who shall be entitled to attend the Extraordinary General Meeting of Shareholders No. 2/2017 (Record Date) to be on 4 July 2017, and the date for gathering the names of shareholders under section 225 of the Securities and Exchange Act B.E. 2535 (as amended) by closing the share register book to be on 5 July 2017.

For the convenient and fast registration, please bring and present the documents required for shareholders' or representatives' identification to attend the meeting before the officials on the meeting date, details of which can be found in **Enclosure 8**.

To protect your rights and benefits as a shareholder, please also pay attention to the articles of association of the Company in relation to the shareholders' meeting, details of which can be found in **Enclosure 10**.

Yours faithfully,

*Mr. Krirkkrai Jirapaet*

(Mr. Krirkkrai Jirapaet)

Chairman of the Board of Directors

Note : - The Company will post the minutes of the Extraordinary General Meeting of Shareholders No. 2/2017 on our website ([www.qtc-energy.com](http://www.qtc-energy.com)) within 14 days after date of meeting.

The Office of the Company's Secretary  
Tel. 66 (02) 379-3089-92 ext. 299

**Minute of the Extraordinary General Meeting of Shareholders no.1/2017 of**

**QTC EnergyPublic Company Limited**

**on Wednesday 31<sup>th</sup> May 2017**

**At Ballroom, 3<sup>rd</sup> Floor, The Grand Fourwings Convention Hotel, Srinakarin Road, Bangkok**

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**The meeting commenced at 02:00 p.m.**

Mr. Kirk-Krai Jirapaet, the Chairman of the company serving as the Chairman of the Meeting, stated that the number of shareholders on the date of gathering the name list of shareholders for the right to attend the Meeting on April 19<sup>st</sup>, 2017 was totally 923 shareholders with the total number of shares was 270,000,000 shares.

In this Meeting, there were 25 attended shareholders with 22,786,619 shares and 49 proxies with 191,075,641 shares. As a result, there were 74 attended shareholders and proxies with the total shares of 213,862,260 shares calculated to be 79.21 % of all issued shares of the company (the total shares of the company were 270,000,000 shares). Therefore, it was considered as constituted quorum according to the articles of association of the Company. As a result, the Chairman would like to open the Extraordinary General Meeting of Shareholders no.1/2017.

Prior to the commencement of the Meeting, the Chairman would like to introduce 6 directors as well as other attendants as follows:

**Attended Directors**

- |                                    |  |
|------------------------------------|--|
| 1. Mr. Kirk-Krai Jirapaet          | Independent Director / Chairman  |
| 2. Mr. Natthapol Lilawatthanun     | Independent Director /<br>Chairman of Audit Committee  |
| 3. Mr. Kamol Takabut               | Independent Director /Nomination, Remuneration,<br>and Corporate Governance Committee  |
| 4. Mrs. Wasara Chotithammarat      | Independent Director / Audit Committee   |
| 5. Mr. PoonphiphatTantanasin       | Committee / Nomination, Remuneration, and<br>Corporate Governance Committee / Chairman of<br>Risk Management Committee / Chief Executive Officer |
| 6. Mr. Ruangchai Kritsnakriengkrai | Committee/ Managing Director   |

The Chairman informed that Mr. Pholrach Piathanom, a director of the Company, has an urgent duty at the Government House of Thailand, so he cannot attend this meeting.

### **Attended Executives**

1. Miss Chotika Chumpoon Deputy Managing Director, Finance & Accounting and a director of QTC Global Power Company Limited.
2. Miss Boonpa Ruddist Deputy Managing Director, General Management and Company Secretary
3. Miss Sasikarn Tantanasin Manager of Business Development Director

### **Representatives of QTC Global Power Company Limited**

1. Mr. Chawalit Janpetch Managing Director of QTC Global Power Company Limited
2. Mr. Chalermchai Rungruang Executive Vice President
3. Mr. Krisana Eu-ahsunthornwattana Vice President

### **Representatives of the independent financial advisor from Beyond Advisor Company Limited**

1. Mr. Kittipan Anutranukul
4. Miss Suwanna Tantisricharoenkul

### **Representative of the financial advisor from Prime Street Advisory (Thailand) Co., Ltd.**

1. Mr. Pornsit Poovanakijjakorn

### **Representative of the financial advisor from Finansia Securities Company Limited**

1. Mr. Wikrom Leenabanjong

### **Representative of the legal advisor from Norton Rose Fulbright (Thailand) Limited**

1. Mr. Rittichai Ngodngam

### **The Meeting commenced.**

Prior commencing consideration on the Meeting's agendas, the Chairman assigned Mr. Rittichai Ngodngam, the legal advisor, to clarify on procedures of Meeting and voting of shareholders in each agenda as follows:

1. The Meeting shall consider each agenda upon the order defined in Invitation Letter. The information of each agenda shall be proposed and shareholders shall be given an opportunity to vote for such agenda. In the event that any shareholder or proxy wished to ask any question or give any opinion, such person had to always raise his/her hand and informed his/her name and surname as well as presented himself/herself to the Meeting.
2. After perceiving details of each agenda and if there was any shareholder disagreed with any agenda or abstained from voting for any agenda, such shareholder shall write his/her vote in the ballot and returned to the company's staff. For convenience and promptitude of vote counting, the company's staff shall firstly collect

the ballots with voting for disagreement followed by the ballots with vote abstention. Any shareholder who disagreed or abstained from voting shall raise his/her hand for collection accordingly.

3. All shareholders have one vote per one share. Any shareholder gaining any special interest in any agenda shall not have any right to vote for such agenda
4. Vote counting upon agendas defined in this Extraordinary General Meeting of Shareholders was divided into 2 types as defined in Public Limited Companies Act B.E. 2535 as follows:
  - 4.1 the agenda requiring approval based on majority of voting of attended shareholders that the company shall calculate the vote base by counting the votes of shareholders with agreement or disagreement excluded with shareholders with abstention from voting; and
  - 4.2 The agenda required to be approved by the Meeting with the votes not less than three-four of all votes of attended shareholders was Agenda 2 the company shall calculated the vote base by counting the votes of shareholders with agreement and disagreement and abstention voting.

In the event that there was no objection or opinion provided by any attendant, it shall be deemed that the Meeting unanimously agreed or approved. To save the time, the next agenda shall be operated while counting the votes of this agenda.

5. In order to make ballots collection transparent and consistent according to the principles of Corporate Governance, the company shall keep the ballots of the shareholders who agreed with the proposal of each agenda as the evidence. The shareholders shall return the ballots to company staff after the Meeting. In the event that there was any shareholder wishes to leave the Meeting earlier, such shareholder shall return the ballot to company's staff as well.
6. The company will not include the void ballot in vote counting.

The Chairman gave an opportunity to the Shareholder to ask questions on such voting procedures. It was appeared that no shareholder asked any question.

The Chairman invited one of the proxies or shareholders to be the witness of vote counting. However, there was no shareholder volunteered as the witness of such vote counting. Accordingly, the Chairman asked Mr. Thosaphol Thurongkinanonth, the representative of the legal advisor from Norton Rose Fulbright (Thailand) Limited as the witness of this vote counting.

The Chairman gave a speech to commence the Meeting. The agendas of this meeting were as follows:

**Agenda 1: To consider and acknowledge the Minutes of the Annual General Meeting of Shareholders for the year 2017**

The Chairman assigned Mr. Rittichai Ngodngam, the legal advisor, to clarify on this agenda. Mr. Rittichai Ngodngam, the legal advisor, informed the Meeting that as the Company held the the annual general meeting of shareholders for the year 2017 on April 28<sup>th</sup>, 2017. The Company prepared the minute of the annual general meeting of shareholders for the year 2017 held on April 28<sup>th</sup>, 2017, and sent to the Stock Exchange of Thailand within 14 days from the date of the meeting. The Board of Directors has reviewed such minutes, which were correctly recorded in accordance with the resolutions of such shareholders' meeting and posted on the Company's website on 5 May 2017 so as to disclose such

minutes to its shareholders and investors with details as shown in the copy of such minute attached to the Invitation Letter of this Meeting or Attachment 1 and asked the Meeting to acknowledge.

The chairman informed that although, this agenda is to acknowledge, the chairman provided the Meeting an opportunity to ask for more questions and give more opinions. It was appeared that there was no question or opinion asked or provided by any attendant. As a result, he proposed the Meeting to consider on acknowledgment of the minutes of the annual general meeting of shareholders for the year 2017

**Resolution:** The Meeting had already considered and had the resolution to acknowledge the minute of the annual general meeting of shareholders for the year 2017 as proposed.

**Agenda 2: To consider and approve the purchase of 15 percent shares in Green Earth Power (Thailand) Co., Ltd. by the subsidiary, i.e. QTC Global Power Co., Ltd., as the purchaser for joint investment in Minbu Solar Power Plant Project in Myanmar**

The Chairman assigned the financial advisor and the legal advisor to clarify the details of this agenda.

Mr. Pornsit Poovanakijjakorn, the financial advisor, informed that the Minbu Power Plant Project in the Republic of the Union of Myanmar (“**Project**”) is the ground-mounted solar projects with the installed capacity of 220 MWDC. 50 MWDC for each phase 1 to phase 3 and 70 MWDC for phase 4. The site of the Project is located at Minbu District, Magway Region, Myanmar with the project land of 836 acres. The developer of the Project was Green Earth Power (Thailand) Co., Ltd. (“**GEPT**”) who is the shareholder holding 100% of the shares in GEP (Myanmar) Company Limited (“**GEPM**”). Electric Power Generation Enterprise (“**EPGE**”) is the electricity purchaser as stipulated in the power purchase agreement (“**PPA**”) for the period of 30 years commencing from the commercial operation date (“**COD**”) of phase 1 at the fixed rate of USD 0.1275 (THB 4.53)/kWh. Phase 1 of the Project is expected to commence in January 2018.

The acquired assets comprises of 15% of paid-up registered shares in GEPT and Cash Deficiency Support (“**CDS**”) on pro rata basis but not exceeding USD 4.158 million. The total of assets is THB 907.96 million.

The shareholding structure before QTCGP purchases the shares in GEPT is that Noble Planet, Planet Energy Holding and Vintage Engineering Public Company Limited are the shareholders of all shares in GEPT. In this regard, Noble Planet and Planet Energy Holding (“**Sellers**”) will be the sellers in an amount of 15% of the paid-up registered shares in GEPT to QTCGP.

The purchase price of the shares in GEPT is at USD 7.63 million or THB 267.09 million, included the deposit and advance payment, and subject to the price adjustment divided in 2 cases as follows:

- (1) the first price adjustment will be on 31 January 2018. If EIRR of QTCGP is less than 8.0 percent, the Sellers shall transfer the benefits received from the shares equivalent to 1.15 percent in GEPT to QTCGP. If EIRR is above 12 percent, QTCGP shall pay additional money only for the part where the EIRR is above 12 percent, subject to a maximum amount of USD 1.879 million.
- (2) the second price adjustment will be upon the CODs of all 4 phases. If EIRR of QTCGP is less than 8.0 percent, the Sellers shall transfer the shares equivalent to 1.15 percent in GEPT to QTCGP. If EIRR is above 12 percent, QTCGP shall pay additional money only for the part where the EIRR is above 12 percent, subject to a maximum amount of USD 1.879 million.

This transaction to purchase the shares is an acquisition of assets in accordance with the relevant notification relating to acquisition or disposal. In this regard, the Company has already calculated the transaction size in accordance with such notifications.

After that, Mr. Rittichai Ngodngam, the legal advisor, clarified in relation to the material terms of the share purchase agreement, which comprises the following terms:

- (1) QTCGP has to pay the share purchase price divided into 3 installments as follows: USD 1.5 million within 5 days after the execution of the agreement, USD 2 million on closing date and USD 1.879 million within 31 December 2017;
- (2) the Project is project finance (No Guarantee Obligation);
- (3) it contains with the conditions precedent to be completed within 31 May 2017; and
- (4) it contains with the conditions subsequent to be completed within 31 December 2017.

The material terms of the shareholders' agreement comprises the following terms:

- (1) GEPT and GEPM shall have a policy to distribute dividends at the rate of 90% of the net profit;
- (2) each of GEPT and GEPM shall have 9 directors, one of which shall be nominated by QTCGP;
- (3) QTCGP shall have tag-along rights;
- (4) every shareholders shall have right of first refusal;
- (5) QTC shall have control over QTCGP and QTC shall not effect changes to the majority of the board of directors of QTC until the end of 1-year period from the COD of phases 1-4;
- (6) QTCGP shall have veto rights in respect of the prescribed Reserved Matters; and
- (7) there are provisions prohibiting QTC or QTCGP from competing in the area of energy business in Myanmar.

The benefits that the Company expects to gain are as follows:

- (1) the ability to expand business for sustainable growth and enhancement of income stability as well as the lowering risks caused by dependency on the only source of income from the conduct of manufacturing and selling transformers;
- (2) an opportunity to increase revenue from the investment that provides appropriate and continuous rate of return and increase of capability to conduct business in a long term for the Company; and
- (3) building the investors' trust in the role of the Company in conducting electricity generating and selling business, which will create opportunity to expand the scope of investment in energy business in the future, in a broader and more continuous manner, within or outside the country.

However, the risks of the transaction are as follows:

- (1) completion of the transaction depends on a number of condition precedents and conditions subsequent to the transaction;
- (2) the risk in the event that GEPT does not pay dividend to the Company as a shareholder (however, it is provided in the shareholders' agreement that there shall be a policy regarding the payment of dividend.);
- (3) the acquisition of ordinary shares of GEPT will result in the Company receiving part of the revenue in foreign currency. However, the Company has a policy to utilize financial tools to manage risks from the volatility of such currency exchange rates as appropriate;
- (4) at present, the Company has already made payment to the Sellers in the amount of USD 3.75 million, being 50% of the total price payable.

After that, Mr. Rittichai Ngodngam, the legal advisor, informed the Meeting that the Company has delivered the opinion of the independent financial advisor along with the notice of the meeting to all the

shareholders. Advantages and disadvantages can be concluded from the opinion of the independent financial advisor as follows:

Advantages are:

- (1) diversification through the conduct of business that has capabilities;
- (2) enhancing of ability to make profit that is sustainable and low-risk for the Company;
- (3) increasing knowledge and ability of the Company's personnel; and
- (4) acquisition price for the ordinary shares of GEPT is approximately USD 0.1 – 2.4 million below the fair value.

Disadvantages are:

- (1) QTCGP is a minority shareholder in GEPT (however, there is a shareholders' agreement and the right to veto in certain matters is provided);
- (2) the risk from foreign currency exchange rates (however, QTC already put in place a policy to prevent the risk of currency exchange rates, that is considered appropriate);
- (3) the risk of failure to successfully develop the Project (however, condition precedents have been provided and the Project has already secured MIC Permit which is considered by the legal advisor to be a substantial reduction of risks);
- (4) the risk of being unable to recover refunds that must be returned by the Sellers (however, there is a personal guarantee from the major shareholder); and
- (5) the risk of changes to policies, laws and political situations in Myanmar (however, GEPM has a policy to take out a political risk insurance policy which covers the provisions in the PPA and policies of the Myanmar government, which could substantially reduce the risks); and
- (6) the risk arising from the fact that the period of the Project is longer than solar cell panel's warranty period (however, the technical advisor is of the opinion that the solar cell panel is still functional and will continue to degrade in each year in the form of straight-line degradation from the year 25th).

In addition, the deposit and advanced payment paid to the Sellers constitutes 50% of the purchase price at USD 7.63 million, which is considered a high portion and is not in line with the terms of the transaction in the normal course of business and is unfair to the Company. However, the Company clarified that it has considered the matters in all aspects and such terms arose as a result of a negotiation with best efforts in order to arrive at other additional terms which are beneficial to QTC. However, fair value of the ordinary shares of GEPT is at USD 7.7 - 10 million while the Company is able to purchase at USD 7.63 million, which is approximately USD 0.1 – 2.4 million below the fair value, with QTC's Equity EIRR at 8.4% and QTC's Payback Period of 15.1 years.

To conclude the opinion of the independent financial advisor, when considering purchase price, advantages and benefits against the disadvantages and risks, the Company is of the opinion that the entry into the transaction would be appropriate and the shareholders should vote to approve such transactions.

Then, Mr. Rittichai Ngodngam, the legal advisor, informed the Meeting that the resolution of this agenda shall be passed by affirmative votes representing at least 3/4 of the votes cast by shareholders attending the meeting who are entitled to vote.

The Chairman thanked the financial advisor and legal advisor. Then, the Chairman gave opportunity for shareholders to make enquiries regarding this agenda.

One shareholder inquired the identity of the shareholders of Wealthy Capital Consulting Ltd. and AVA Asia Ltd.

Mr. Pornsit Poovanakijjakorn, the financial advisor, replied that the said companies are shareholders of the Sellers. The shareholders of the said companies are Mr. Supasit Pokinjarurat and Mr. Aung Thiha, who are key personnel in the development of the Project.

One shareholder inquired the amount of sum insured for the Project according to the report of the independent financial advisor including the amount of premium payable for certain items and the person responsible for the payment of such premium.

Mr. Kittipan Anutranukul, the independent financial advisor, replied that the amount of premium was already set out in the report of the independent financial advisor. Sum insured for the policy will depend on the type of policy. For instance, Operational All Risks policy has sum insured that is equivalent to the value of the Project, whereas for Business Interruption policy, sum insured is only available in respect of the machinery. As for Political Risk policy, sum insured will be reduced according to the year of operation. In each case, the entity operating the Project i.e. GEPM shall be responsible for all the premium for the Project.

Mr. Kittipan Anutranukul, the independent financial advisor, informed that, generally, terrorism is not included in an all risk insurance.

One shareholder inquired about the reason why East Coast Furnitech Public Company Limited (ECF), which hold the meeting on the same day, will purchase 20 percent of shares, while QTCGP will only purchase 15 percent of shares.

Mr. Pornsit Poovanakijjakorn, the financial advisor, informed that QTCGP will purchase 15 percent of shares as it is deemed appropriate taken into account the fund of the Company, and the investment below 15 percent may not give QTCGP the right to appoint its representative as director in GEPT and GEPM.

One shareholder inquired whether the Company has sent personnel to inspect the Project directly.

Mr. Rittichai Ngodngam, the legal advisor, informed that the Company has engaged the technical advisor to inspect the Project in Myanmar, and also engaged the financial advisor, legal advisor, and tax advisor to conduct due diligence exercise and provide recommendations with respect to this transaction to the Company.

One shareholder inquired whether the Project is located near seashore, and whether there are catastrophe issues.

Mr. Pornsit Poovanakijjakorn, the financial advisor, informed that during the construction of the Project, the contractor will take construction risk. After the completion of construction, the Project will be covered under all risk insurance. In addition, this Project is financed by the bank, which required that there are sufficient insurances covering the Project, including the procurement of all risk insurance.

One shareholder inquired whether the primary energy sources in Myanmar are from gas and oil as Thailand also imports those energy from Myanmar, and further inquired about the profitability of the solar power plant project.

Mr. Pornsit Poovanakijjakorn, the financial advisor, informed that the primary energy sources in Myanmar are gas, water and coal. However, at present, Myanmar supports both clean energy and

energy from gas, water and coal, as the sunlight energy is only utilizable during daytime, while energy from other sources are still required during nighttime.

Mr. Rittichai Ngodngam, the legal advisor, further informed that the power purchase agreement sets the purchase price of electricity. Therefore, even if Myanmar increases the usage of energy from other sources, the electricity authority of Myanmar is obliged to purchase electricity from GEM at the rate and amounts specified in the PPA.

One shareholder inquired about the terminal point of the generated electricity.

Mr. Pornsit Poovanakijjakorn, the financial advisor, informed that the electricity will be distributed to the areas around the Project. As the clean energy is more uncertain, clean energy will be used as supportive energy, while energy from gas, water and coal will remain as primary sources.

One shareholder inquired about the reason why there is long gap between the COD for phase 3 and phase 2, and between the COD for phase 4 and phase 3.

Mr. Rittichai Ngodngam, the legal advisor, informed that the periods for construction and power purchase in each phase have been determined by Myanmar government, rather than by GEPM, pursuant to the power development plan and estimated consumption of electricity of Myanmar in the future.

One shareholder inquired whether the Company will lose or gain any benefit as the construction costs of power plant for phase 3 and phase 4, which are likely to occur in the few years, are expected to reduce.

Mr. Rittichai Ngodngam, the legal advisor, informed that GEPM has negotiated with contractor of the power plant, and agreed that the construction costs will be fixed. As a result, whether there is the reduction or increase of construction materials, it shall not affect the returns of the Project which shall remain the same.

One shareholder inquired about the reason why the interest rate must be LIBOR +.

Mr. Pornsit Poovanakijjakorn, the financial advisor, informed that as the loans are in foreign currency, i.e. United States Dollar, the interest rate shall be LIBOR +, and further informed the reason that the loans are in foreign currency because GEPM will derive income in United States Dollar.

One shareholder requested the Company to clarify the meaning of numbers which appeared in page 40 – 41 (table of estimated units of electricity generated from the Project).

Mr. Pornsit Poovanakijjakorn, the financial advisor, informed that such table demonstrates the estimated units of electricity generated from the Project in million units, where the left-side of the table showing 50 MW is for the Project in Phases 1 – 3, while the right-side of the table showing 70 MW is for the Project in Phase 4. The P value, e.g. P50, means that the Project is certain at 50% to generate the electricity of not less than those specified in the table.

The Chairman said thank you to the shareholders who inquired all questions, and proposed that the meeting consider and vote.

**Resolution:** The meeting considered and unanimously approved the purchase of 15% shares in Green Earth Power (Thailand) Co., Ltd. by the subsidiary, i.e. QTC Global Power Co., Ltd., as the purchaser for joint investment in Minbu Solar Power Plant Project in Myanmar, and in addition, unanimously

approved to authorize the board of directors to amend the related agreements (including time extension, waiver or designating any conditions and terms) for the benefits of the Company in its investment in such project, provided that such amendment shall not materially affect the Company with the votes of the shareholders as per the details below:

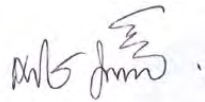
Approve:	214,056,275 votes	equal to 100 %
Disapprove:	0 vote	equal to 0 %
Abstain:	0 vote	equal to 0 %
Void Ballots:	0 vote	equal to 0 %

**Agenda3: Other Businesses (if any)**

The Chairman gave an opportunity to the shareholder to ask questions or express opinion in this agenda. Since there was no further question from any shareholder, the Chairman gave the speech to thank all attendants for participating in this Extraordinary General Meeting of Shareholders no.1/2017 and close the Meeting.

The Meeting was closed at 15.10

Signature



Chairman of the Meeting

(Mr. Krirk-KraiJirapaet )

Signature



Recorder

(Miss BoonpaRuddist)

**Information Memorandum of QTC Energy Public Company Limited**  
**Re: the purchase of shares in L Solar 1 Co., Ltd. to invest in a solar power plant project with contracted capacity of 8 Megawatt in Kabinburi, Prachinburi province**

The Board of Directors Meeting of QTC Energy Public Company Limited (“**Company**”) no. 8/2017 held on 19 June 2017 has a resolution to approve and propose the Extraordinary General Meeting of Shareholders no. 2/2017 on 29 August 2017 for consideration and approval of the investment in solar power plant project with contracted capacity of 8 Megawatt in Kabinburi, Prachinburi province (“**Project**”). The subsidiary of the Company, QTC Global Power Company Limited (“**QTCGP**”), will enter into share purchase agreement of shares of L Solar 1 Co., Ltd. (“**L Solar 1**”) (“**Share Purchase Agreement**”) to acquire all shares of L Solar 1 from all existing shareholders, namely, Loxley Public Company Limited (“**LOXLEY**”), Leonics Co., Ltd. (“**LEONICS**”) and Pacific Tone Investment Limited (a party designated by Col. Prasert Shusang) (collectively called “**Sellers**”) with a total value of Baht 538.01 million, payable in term of cash considerations of 287.09 million Baht and in term of 20,910,475 shares of the Company at the price of 12 Baht per share, totaling 250.93 million Baht. The payment term was the result of the negotiation with each Seller.

The transaction is considered an acquisition of assets under the notification of the Capital Market Supervisory Board No. Tor Chor. 20/2551 Re: Rules for the Transaction with Significant Acquisition or Disposition 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 Companies Concerning the Acquisition or Disposal of Assets B.E. 2547 (2004) (“**Notification of the Acquisition or Disposition**”). The highest transaction size is 56.15 percent of the Net Tangible Assets of the Company according to the consolidated financial statements for the period ended 31 March 2017 (which is the highest transaction size in accordance with Net Tangible Asset Criteria) and, during the period of the past 6 months, the Company has acquired other assets which are not relevant to the share acquisition of L Solar 1 and was approved by the extraordinary general meeting no.1/2017 on 31 May 2017. Therefore, the highest transaction size shall be 56.15 percent in accordance with the Net Tangible Asset (“**NTA**”) criteria and considered class 1 transaction with the size of 50 percent or higher but lower than 100 percent according to the Notification of the Acquisition or Disposition. As a result, the Company has the obligations to disclose the information memorandum to the Stock Exchange of Thailand (“**SET**”) and seek the approval from the shareholders’ meeting to approve the transaction with at least three-fourth of the total votes of shareholders who attend the meeting and are eligible to vote, excluding the vote of the shareholders having an interest on the matter.

The purchase of shares in L Solar 1 from its existing shareholders is not considered entering into the transaction with the connected persons according to Notification of Capital Market Supervisory Board Tor Chor 21/2551 Re: Rules on 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, 2003 dated 19 November 2003.

In order to seek the approval from the shareholders’ meeting, the Company must appoint an Independent Financial Advisor (“**IFA**”) to provide an opinion on the transaction for acquisition of assets. The IFA must give an opinion in the relevant issues e.g. rationales behind the transaction and benefits of the transaction to the Company, and fairness of the price and conditions in entering into the transaction. In this regard, the Company will submit the information memorandum of the transaction for the acquisition

of assets to the shareholders of the Company together with the shareholders meeting notice to propose such agenda for the approval of the asset acquisition of the Company in relation to the share purchase in L Solar 1 to the shareholders' meeting. The details of the transaction are as following:

**1. The Information Under Schedule (1) of Notification Re: the Acquisition and Disposition**

**1.1. Transaction Date**

QTCGP signed the Share Purchase Agreement on 25 July 2017. The Share Purchase Agreement shall specify conditions precedent, to which the counterparties is responsible to complete as specified in the contract. (Please refer to detail of Share Purchase Agreement in Enclosure No.4 attached to the Notice of the Extraordinary General Meeting of Shareholders No.2/2017)

**1.2. The Relevant Parties and Relationship with the Company**

The Purchaser : QTCGP is a subsidiary of which 99.99 percent of the paid-up registered capital is held by the Company

The Sellers : Loxley Public Company Limited, which has top 10 shareholders as of 23 March 2017 which was the book closing date as follows:

No.	Shareholder	Number of Share (shares)	Percentage (percent)
1.	<b>Lamsam Group</b>		
1.1	Ekpavee Co., Ltd.	584,158,113	25.79
1.2	Mr. Pairote Lamsam	37,368,481	1.65
1.3	Mr. Thongchai Lamsam	26,732,044	1.18
1.4	Mr. Banyong Lamsam and Mrs. Nartrudee Weeramaeteekul	20,200,000	0.89
1.5	Mrs. Duangruthai Poomchusri	12,793,200	0.57
1.6	M.R. Sam-aungvarn Lamsam	11,816,931	0.52
1.7	Mr. Chalermchoke Lamsam	9,876,688	0.44
	<b>Total shares held by Lamsam Group</b>	<b>702,945,457</b>	<b>31.04</b>
2.	Mr. Kiatchai Limpichotpong	113,187,955	5.00
3.	Thai NDVR Co., Ltd. <sup>1</sup>	106,955,306	4.72
4.	Mrs. Charuvarn Vanasin	62,088,700	2.74
5.	ML Prasopchai Kasemsant	21,420,000	0.95
6.	Mrs. Benjawan Kumpanartsanyakorn	17,178,020	0.76
7.	XL INVESTMENTS LTD.	14,024,997	0.62
8.	Mr. Chaiporn Achakul	13,400,000	0.59
9.	Mr. Somchai Kamolratanapiboon	12,000,000	0.53
10.	EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT	11,387,335	0.50

Source: LOXLEY

Note: <sup>1</sup> Thai NDVR Co., Ltd. is a subsidiary that was incorporated by the SET and NVDR is automatically listed. Shareholders in NVDR are entitled for similar financial benefits to investing in ordinary shares but are not entitled for voting rights.

- 2) Leonics Co., Ltd. (“LEONICS”), which has a list of shareholders as follows:

Item	Shareholder	Number of Share (shares)	Percentage
1.	Mrs. Pranee Kriengprathana	499,997	99.9994
2.	Mr. Samreang Kriengprathana	1	0.0002
3.	Mr. Suraphol Seangthong	1	0.0002
4.	Mrs. Suree Ono	1	0.0002
<b>Total</b>		<b>500,000</b>	<b>100.00</b>

Source: The Ministry of Commerce

- 3) Pacific Tone Investment Limited (a party designated by Col. Prasert Shusang)

The Sellers have no relationship with the Company and/or subsidiaries of the Company and are not the related persons of the Company and/or subsidiaries of the Company.

### **1.3. Details, Category, and Transaction Size of the Acquired Assets**

#### **1.3.1 Details of the Acquired Assets**

QTCGP which is a subsidiary of which 99.99 percent of the registered capital is held by the Company is interested to invest in the Project of L Solar 1 who has 3 existing shareholders as follows:

1. Loxley holds 1,539,780 shares which is 70% of the registered capital of L Solar 1.
2. Leonics holds 352,000 shares which is 16% of the registered capital of L Solar 1.
3. Pacific Tone Investment Limited holds 308,220 shares which is 14% of the registered capital of L Solar 1.

QTCGP will purchase L Solar 1’s shares from seller at the price of 244.55 Baht per share, totaling 538,012,010 Baht, with the basis for determining the value of consideration mentioned in clause 6. The book value of L Solar 1’s shares as of 31 March 2017 from the financial information prepared by management of L Solar 1 for the period ended 31 March 2017 is 175.39 per share, totaling 385,866,356 Baht. The payment for L Solar 1’s shares will be made in term of cash considerations and shares of the Company at the value of 287,086,310 Baht and 250,925,700 Baht, respectively. Details are as follows:

Seller	No. of Shareholding in L Solar 1 (Shares)	Payment by Cash Consideration (Baht)	Payment by newly issued shares of the Company at 12 Baht per share		Total Value (Baht)
			Number of Shares (Shares)	Value (Baht)	
LOXLEY	1,539,780	176,240,425	17,019,702 (approximately 4.74% of paid up shares after capital increase)*	204,236,424	380,476,849
LEONICS	352,000	40,289,281	3,890,773 (Approximately 1.08% of paid up shares after capital increase)*	46,689,276	86,978,557
Pacific Tone Investment Limited (a party designated by Col. Prasert Shusang)	308,220	70,556,604	-	-	70,556,604
Total	2,200,000	287,086,310	20,910,475	250,925,700	538,012,010

If the acquisition of shares of L Solar 1 is carried out in accordance with the Share Purchase Agreement, the Sellers will receive the consideration as determined in the above table. The price of ordinary share issued for payment of shares of L Solar 1 of Baht 12 per share derives from the negotiation among relevant counterparties, in which the board of directors has considered the reasonableness of the price by considering the fair value determination of the Company, and is a price with a discount exceeding 10 percent of the weighted average price of ordinary shares of the Company for the period of 7 days prior to the date that the board of directors of the Company resolved to approve to propose the shareholders' meeting for approval on issuance and offering of the newly issued shares (in the case that there is a fraction of a share based on the calculation, it shall be disregarded) ("**Weighted Average Price**"). The date on which the board of directors has such resolution is 19 June 2017 and the Weighted Average Price is Baht 13.59 per share, and once taken off the discount of 10 percent, the price shall be Baht 12.23 per share.

### 1.3.2 Category and Transaction Size

The acquired assets are all ordinary shares of L Solar 1 in an amount of 2,200,000 shares with the par value at Baht 100 per share, the value of which is approximately Baht 538.01 million. As at 19 June 2017, L Solar 1 has paid-up registered capital of Baht 220 million consisting of 2,200,000 ordinary shares at the par value of Baht 100 per share.

L Solar 1 produces and distributes solar power, operating the Project under the power purchase agreement with the Provincial Electricity Authority ("**PEA**") with contracted capacity of 8 Megawatt in accordance with the power purchase project from very small power producer. The agreement is a non-firm agreement with terms of 5 years and shall be

automatically renewed for 5 years each time. The adder for renewable power producer shall be Baht 8.0 per kWh for 10 years from the commercial operate date on 2 December 2011. After the adder period expires in 2021, the tariff rate shall follow the rules for a power purchase from very small power producer (for power producer from renewable energy).

**Summary of the PPA between L Solar 1 and PEA**

<b>Contract Number</b>	VSPP-PEA-081/2553
<b>Date of Agreement</b>	25 June 2010
<b>Term of Agreement</b>	5 years from the signing date of the agreement and shall be automatically renewed for 5 years each time which shall be effective until termination
<b>Contracted Capacity</b>	PEA agreed to purchase power at the maximum of 8 Megawatt the voltage of 22,000 volts
<b>Tariff Rate</b>	Tariff rate shall follow the rules for a power purchase from very small power producer (for power producer from renewable energy)
<b>Adder</b>	Baht 8.0 /kWh for 10 years from the commercial operation date
<b>Termination</b>	<ol style="list-style-type: none"> <li>1. The Company submits written notice to PEA showing the intention to terminate the power purchase by termination of agreement</li> <li>2. If any counterparty does not follow any of terms and conditions of the agreement, the other counterparty shall give notice to amend. If such counterparty does not amend, the other counterparty has the right to terminate the agreement</li> </ol>

**Details of L Solar 1**

**(1) General information of L Solar 1**

Company's name	: L Solar 1 Company Limited
Type of business	: Produce and distribute electricity from solar power
Company's address	: 102 Na Ranong Rd. Khlong Toei, Khlong Toei, Bangkok
Registered number	: 0105552137298
Date of incorporation	: 28 December 2009

**(2) List of shareholders of L Solar 1 as of 25 July 2017 comparing to post-transaction**

Items	Shareholders	Pre-transaction		Post-transaction	
		Number of shares (shares)	Shareholder Ratio (percent)	Number of shares (shares)	Shareholder Ratio (percent)
1.	LOXLEY	1,539,780	70	-	-
2.	LEONICS	352,000	16	-	-
3.	Pacific Tone Investment Limited	308,220	14	-	-
4.	QTCGP	-	-	2,200,000	100
<b>Total</b>		<b>2,200,000</b>	<b>100</b>	<b>2,200,000</b>	<b>100</b>

**(3) List of directors of L Solar 1**

As of 18 January 2017 the list of directors of L Solar 1 is as follows:

Items	Directors	Positions
1.	Gen. Nipont Siriphorn	Director
2.	Mr. Chalermchoke Lamsam	Director
3.	Mr. Supat Korncharnkul	Director
4.	Gen. Yongyout Mekrat	Director
5.	Mr. Piboon Piboontham	Director
6.	Col. Prasert Shusang	Director
7.	Mrs. Suree Ono	Director

After the transaction is completed, QTCGP has the right to nominate new directors to replace all existing directors. The process of appointing directors shall be as specified in the Share Purchase Agreement.

**(4) Financial Information of L Solar 1**

Summary of financial position and operating results of L Solar 1 from the audited financial statements for the fiscal year 2014, 2015, and 2016 ended 31 December of each year and from the financial information prepared by the management of L Solar 1 for the period ended 31 March 2017 are as following:

Unit: Baht	2014	2015	2016	Q1 2017
<b>Statement of financial position</b>				
<b>Assets</b>				
Cash and cash equivalent	33,507,751	7,278,681	10,763,795	11,108,710
Short-term Investments	-	5,122,120	250,940	10,250,940
Accounts receivable	30,439,084	28,795,702	26,510,725	26,699,946
Other receivables	526,830	816,881	885,231	803,581

Unit: Baht	2014	2015	2016	Q1 2017
Other current assets	453,277	269,357	202,571	1,170,261
<b>Total current assets</b>	<b>64,926,942</b>	<b>42,282,741</b>	<b>38,613,262</b>	<b>50,033,438</b>
Restricted Deposits	20,528,550	20,746,450	20,932,221	20,932,221
Property, plant, and equipment	624,384,212	591,096,773	554,240,777	545,518,785
Intangible assets	5,673,623	5,340,182	4,970,759	4,976,953
Guarantee	209,300	235,500	262,036	262,036
<b>Total non-current assets</b>	<b>650,795,685</b>	<b>617,418,905</b>	<b>580,405,793</b>	<b>571,689,995</b>
<b>Total assets</b>	<b>715,722,627</b>	<b>659,701,646</b>	<b>619,019,055</b>	<b>621,723,433</b>
<b>Liabilities and equity</b>				
Long-term loan from financial institution – due within one year	66,840,000	66,840,000	66,840,000	66,840,000
Other payable	4,205,057	4,913,821	3,496,673	3,212,070
Other current liabilities	2,140,582	1,995,011	1,756,695	26,275,007
<b>Total current liabilities</b>	<b>73,185,639</b>	<b>73,748,832</b>	<b>72,093,368</b>	<b>96,327,077</b>
Long-term loan from financial institution	289,920,000	223,080,000	156,240,000	139,530,000
<b>Total liabilities</b>	<b>363,105,639</b>	<b>296,828,832</b>	<b>228,333,368</b>	<b>235,857,077</b>
Issued and paid-up share capital	220,000,000	220,000,000	220,000,000	220,000,000
Retain earnings	132,616,988	142,872,814	170,685,687	165,866,356
<b>Total shareholders' equity</b>	<b>352,616,988</b>	<b>362,872,814</b>	<b>390,685,687</b>	<b>385,866,356</b>
<b>Total liabilities and shareholders' equity</b>	<b>715,722,627</b>	<b>659,701,646</b>	<b>619,019,055</b>	<b>621,723,433</b>
<b>Statement of comprehensive income</b>				
Revenue from sale	161,747,513	157,318,006	153,165,178	37,887,711
Interest income	271,519	604,056	351,034	41,506
Other income	52,905	440,137	226,442	246,893
<b>Total Revenue</b>	<b>162,071,937</b>	<b>158,362,199</b>	<b>153,742,654</b>	<b>38,176,110</b>
Cost of sale	51,073,804	51,943,695	50,977,481	12,003,178
Administrative expenses	13,943,827	14,459,825	12,170,049	3,436,605
<b>Total expenses</b>	<b>65,017,631</b>	<b>66,403,520</b>	<b>63,147,530</b>	<b>15,439,783</b>
<b>Earnings before interest</b>	<b>97,054,306</b>	<b>91,958,679</b>	<b>90,595,124</b>	<b>22,736,327</b>
Cost of financing	20,821,098	16,702,853	12,782,251	2,555,658
<b>Net profit for the year</b>	<b>76,233,208</b>	<b>75,225,826</b>	<b>77,812,873</b>	<b>20,180,669</b>

### 1.3.3 Category and Transaction Size

The entering into such transaction is considered acquisition of assets according to the Notification of the Acquisition or Disposition. Details of transaction size are as following:

**Calculation Criteria**

**Calculation Methodology**

- |                                 |   |
|---------------------------------|---|
| 1. Net Tangible Asset (“NTA”)   | = NTA of L Solar 1 on pro rata basis <sup>1</sup> / NTA of the Company according to the consolidated financial statements <sup>2</sup><br><br>= Baht 385.71 million / Baht 686.99 million<br><br>= 56.15 percent              |
| 2. Net Profit                   | = Not applicable as the Company currently operates at loss  |
| 3. Total Value of Consideration | = Value of ordinary shares of L Solar 1 <sup>3</sup> / total assets of the Company pursuant to the consolidated financial statements <sup>2</sup><br><br>= Baht 571.10 million / Baht 1,147.65 million<br><br>= 49.76 percent |
| 4. Value of Securities Issued   | = Number of shares issued by the Company as payment for securities / Number of paid-up shares of the Company<br><br>= Baht 22.13 million / Baht 270.00 million<br><br>= 7.74 percent  |

**Remark:**

1. As the acquired assets are securities, the calculation of the transaction size will use book value of NTA. Book value of NTA of L Solar 1 is calculated based on the acquired portion of such assets by the Company referring to the information from the audited financial statements of L Solar 1 for the period ended 31 Dec 2016
2. Based on the consolidated financial statements of the Company for the period ended 31 March 2017
3. In case that considerations are listed securities, the total value of consideration is calculated from the market price of the listed securities which is the weighted average price of ordinary shares of the Company for the period of 7 days prior to the date that the board of directors of the Company resolved to approve to propose the shareholders’ meeting for approval of the acquisition of the assets and capital increase (Please see details if the total value of consideration in item 4.1)

The entering into the transaction has the highest transaction size of 56.15 percent of net tangible assets of the Company according to the consolidated financial statements as of 31 March 2017 (which is the highest transaction size in accordance with the NTA criteria).

In this regard, during the period of the past 6 months, the Company has acquired other assets which are not relevant to the share acquisition of L Solar 1. However, such transaction was approved by the extraordinary general meeting no.1/2017 on 31 May 2017. Therefore, the highest transaction size shall be 56.15 percent in accordance with the NTA criteria and is considered to be class 1 transaction with the transaction size of 50 percent or higher but lower than 100 percent according to the Notification of the Acquisition or Disposition. Therefore, the Company has the obligations to

disclose the information memorandum on the assets acquisitions to the SET, and seek the approval from the shareholders' meeting to approve the transaction with at least three-fourth of the total votes of the shareholders who attend the meeting and are eligible to vote, excluding vote of the shareholders having an interest on the matter.

In order to seek the approval from the shareholders' meeting, the Company appointed Capital Advantage Co., Ltd. as the independent financial advisor to provide an opinion on the transaction, as well as the rationales behind the transaction, benefits of the transaction to the Company, fairness of the price and conditions in entering into the transaction. The Company will deliver the opinion of IFA and information memorandum of the assets acquisition to the shareholders of the Company together with the invitation letter to the extraordinary general meeting no.2/2017 for information of shareholders in considering and approving such transaction.

The entering into transaction of the acquisition of shares in L Solar 1 is not considered as the purchase or acceptance of transfer of business of other company by the Company under Section 107(2)(b) of the Public Limited Company Act B.E. 2535 (1992), therefore the Company must receive resolution from the extraordinary general meeting before entering into the Transaction.

The issuance and offering of newly issued shares by way of private placement at a low price must be approved by the extraordinary shareholders' meeting of the Company with no less than three out of four of total votes of shareholders attending the meeting and eligible to vote with no 10 percent or more of the total votes of the shareholders vote against and must be approved by the SEC according to Notification of the Capital Market Supervisory Board No. TorChor. 72/2015 Re: Approval to Listed Companies of offer sale of new common shares in the Manner of Private Placement.

In addition, the Company shall register the capital increase, paid-up capital, and the amendment to the Memorandum of Association with the Department of Business Development, the Ministry of Commerce and shall apply for approval from the Stock Exchange of Thailand on listing the new ordinary shares on the Market for Alternative Investment ("MAI"). The shares may be subjected to the silent period according to the Notification of the Stock Exchange of Thailand No. Bor.Jor./Ror 01-09 Re: Rules, Conditions and Procedures Governing the Listing of Ordinary or Preferred Shares Issued for Capital Increase B.E. 2558 (2015).

#### **1.4. Total Value of Consideration and Payment Conditions**

##### **1.4.1. Total Value of Consideration**

For the calculation of transaction size, in case that the consideration are listed securities, the total value of consideration is calculated from the market price of listed securities which is the weighted average price of ordinary shares of the Company for the period of 7 days prior to the date that the board of directors of the Company resolved to approve to propose the shareholders' meeting for approval of the acquisition of assets and capital increase. Thus the value of the Company's newly issued shares of 20,910,475 shares, which is calculated based on the market price of the listed securities of Baht 13.59 pershare, is Baht 284.01 million. When combined with the total payment in cash of Baht 287.09 million, the total value of consideration is Baht 571.10 million.

Pursuant to the negotiation between counterparties, QTCGP will acquire all ordinary shares of L Solar 1 with the total value of Baht 538.01 million, for which the total payment in cash is Baht 287.09 million and the total payment in form of QTC's shares is 20,910,475 shares at Baht 12 per share totaling Baht 250.93 million.

#### **1.4.2. Payment Conditions**

QTCGP shall make deposit of Baht 15,000,000 within 14 days from the date the Share Purchase Agreement is signed to shareholders of L Solar 1 on a pro rata basis.

The payment conditions of the acquisition price shall be determined in accordance with the Share Purchase Agreement. (Please refer to detail of Share Purchase Agreement in Enclosure No.4 attached to the Notice of the Extraordinary General Meeting of Shareholders No.2/2017)

#### **1.5. Value of the Acquired Assets**

All ordinary shares of L Solar 1 of 2,200,000 shares with a total value of Baht 538.01 million.

#### **1.6. Basis for Determining the Value of Consideration**

Total consideration value for the purchase of ordinary shares of L Solar 1 in the amount of 2,200,000 shares with a total value of Baht 538.01 million is the negotiated consideration between the counterparties of the Share Purchase Agreement. The valuation of L Solar 1 shares is calculated based on various valuation techniques as follow:

- Share valuation by Market Comparables Approach will use various financial ratios such as Price to Earning Ratio (P/E ratio), Price to Book Value Ratio (P/B Ratio), and Enterprise Value to Earning before Interest, Tax, Depreciation and Amortization (EV/EBITDA Ratio) of companies in the same sector and listed on the Stock Exchange of Thailand ("SET"). With this method, the valuation is determined by market value of the securities, which change according to supply and demand in the market as well as investors' expectations on the business performance in the past and future of the companies that are used as comparables.

With this method, financial ratios of L Solar 1 will be compared to companies that operate within the same sector, i.e. generation and distribution of electricity from solar energy companies listed on the SET, which are SPCG Public Company Limited ("SPCG"), BCPG Public Company Limited ("BCPG"), Thai Solar Energy Public Company Limited ("TSE"), Superblock Public Company Limited ("SUPER") and Energy Absolute Company Limited ("EA"), and financial ratios that are used in valuation of L Solar 1 are P/E Ratio, P/B Ratio and EV/EBITDA Ratio. Detail of which are as follows:

- Value of companies within the same sectors and the calculated financial ratios are illustrated in the following table: (Source: Bloomberg as of 31 May 2017)

	Asset	Equity	Revenue	Net Income	Market Capitalization	Enterprise Value	P/E	P/BV	EV/EBITDA
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Time	Time	Time
BCPG	25,489	13,517	3,084	1,541	28,874	30,592	13.18x	2.13x	13.26x
SPCG	24,232	9,766	5,448	2,314	19,496	30,987	8.19x	2.18x	7.86x
TSE	8,375	4,563	1,013	618	11,072	12,642	21.55x	2.51x	24.01x
SUPER	48,060	11,446	3,802	362	41,571	65,150	114.96 <sup>1)</sup>	3.63x	36.42x <sup>1)</sup>

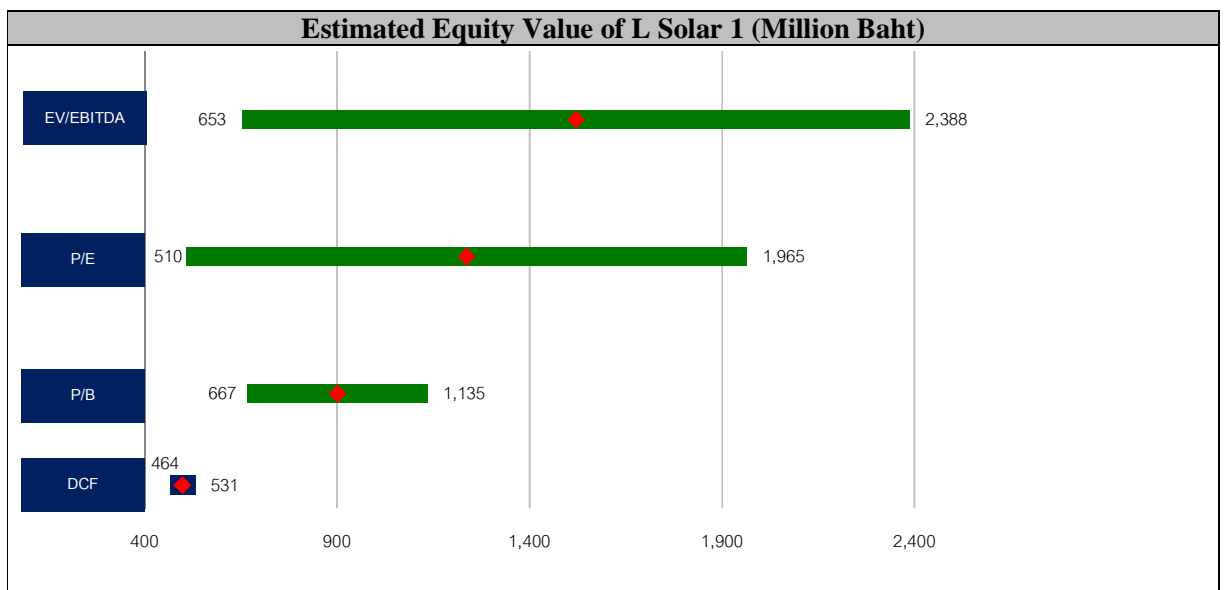
	Asset	Equity	Revenue	Net Income	Market Capitalization	Enterprise Value	P/E	P/BV	EV/EBITDA
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Time	Time	Time
EA	41,507	11,389	10,392	3,252	110,968	134,768	31.56x	8.97x <sup>1)</sup>	24.77x
						<b>Maximum<sup>1)</sup></b>	31.56x	3.63x	24.01x
						<b>Minimum</b>	8.19x	2.13x	7.86x

Remark: 1) Outlier with abnormal financial ratios is excluded from comparable companies

- Share valuation by discounted cash flows method will consider expected future cash flow from operation on a going concern basis. With this method, the valuation will reflect the value of business in the long run by considering potential impact from business operation and expected future cash flow. However, the appropriateness, accuracy and reasonableness of this valuation method depend on financial assumptions used to estimate the business performance. In valuing L Solar 1 with discounted cash flow method, QTCGP uses assumptions based on 1) interviews with executives and 2) Due Diligence by advisors of the Company; including a technical advisor, Owl Energy Ltd., a legal advisor, R.W.T. International Law Office Co., Ltd., a financial advisor, Finansia Securities Limited, and a tax advisor, EY Corporate Services Limited. The key assumptions are summarized as follows.

Unit : Million Baht	Before Adder Expires	After Adder Expires
Total Revenue	145 – 155	50 - 69
Total Expense	68 - 75	38 - 74
Net Profit (Loss)	71 - 85	(21) - 25
Weighted average cost of capital (WACC)	6.14 - 6.88 percent	

From valuation of L Solar 1 with aforementioned methods, estimated equity value of L Solar 1 are as follows:



Financial advisor gave an opinion to the board of directors that fair value range of L Solar 1 lies between Baht 498 – 667 million, covering all fair value ranges calculated from various methods which are appropriate.

The board of directors has considered such appropriate range of L Solar 1's fair value and the best interest of the Company, and has proposed the lowest value in the fair value range of Baht 498 million as a base price in negotiating with the Seller. However, the agreed purchase price of L Solar 1 is at Baht 538.10 million, is higher than the base price. The board of directors has considered the benefits in other aspects, which include opportunity to expand the business for steady growth, to increase stability of revenue as well as to alleviate risk of relying only on revenue from manufacturing and distribution of transformer. The Transaction is also in accordance with the strategies of the Company and/or its subsidiaries to invest in generation and distribution of electricity business and to increase the Company's value. Moreover, as L Solar 1 solar power plant has been commercially operated since 2 December 2011, there are no risks from the construction and development of the solar power plant as compared to with power plants that have not been commercially operated.

The benefit that the Company will receive from the issuance and offering shares via private placement to investors, including Loxley and Leonics, is that the Company will gain strategic partners in the form of strategic shareholders. As the Private Placement investors are the former shareholders in L Solar 1, who have knowledge and experience that will be beneficial to the operation of L Solar 1, as well as provide opportunity to expand the Company's business in the future. The board of directors opined that some technology-related businesses of Loxley might contribute to the Company's business. In addition, given the ability to manage large scale businesses with continuous track records, Loxley is considered having knowledge and experience that would benefit and contribute to the Company's business. Furthermore, according to the Share Purchase Agreement, Loxley will have right to nominate one director, who probably is a knowledgeable and has appropriate ability to support the growth of the Company. As for Leonics, the board of directors opined that Leonics' business is relevant and beneficial to the Company's business, especially given that L Solar 1's solar power plant operates with inverters developed by Leonics.

On the other hand, the decision not to invest in L Solar 1 may result in the Company's loss of opportunity to receive return on investment, development and expansion of power business, as well as opportunity to receive support from strategic partners, which cannot be accurately quantified.

## **1.7. Expected Benefits to the Company**

1.7.1 The Company will be able to expand its business for sustainable growth and increase income sustainability, as well as reduce the risk of depending only on the business of transformers production and distribution. In addition, such investment is in line with the business policy in

which the Company and/or subsidiaries of the Company will be the investor in the power producer and distributor business, and will increase the Company value in the future.

- 1.7.2 Create opportunity to increase income from the investment with appropriate and continually return, and enhance the potential in long-term business operation of the Company on the grounds that the fluctuation of the business of power production and distribution is low. By investing in the Project, the Company will receive return from power distribution to PEA under the PPA, which will enhance financial strength and reinforce potential of business competitiveness of the Company in a long-run.
- 1.7.3 Increase the investors' confidence towards the role of the Company in business of power production and distribution, especially as the Company expands its base for power production and distribution business, which will enhance the opportunity to continually expand the investment in such business both domestic and offshore in the future.
- 1.7.4 Gain strategic partners as Loxley and Leonics, who are the existing shareholders of L Solar 1, have the knowledge and experience that will benefit the business operation of L Solar 1 as well as the opportunity to expand the business of the Company in the future.

#### **1.8. Sources of Fund**

QTCGP will use sources of fund that is supported by the Company who is the shareholder with a shareholding 99.99 percent of paid-up capital of QTCGP. The Company will procure capital to support QTCGP from various sources of fund as follows

##### **1) Loan from Financial Institution and/or from Issuance of Bill of Exchange**

The Company will procure sources of fund from credit facilities from financial institutions and/or the issuance of bill of exchange with the total face value of not exceeding Baht 620,000,000 for private placement to no less than 10 investors, which includes investors investing in bill of exchange issuance on this time and those investing in outstanding bill of exchange maturing in 4 months. At present, the Company is currently in the process of negotiation with the financial institutions and also in the process of contacting prospected investors for the bill of exchange of the Company.

For the possibility to procure financing from credit facilities from financial institutions and/or the issuance of bill of exchange for the capital amounting to baht 250.93 million to be used on Completion Date, given that this capital will be used and repaid in a short period of time, there is high possibility that the Company will be able to sufficiently procure such amount of capital via credit facilities from financial institutions and/or the issuance of bill of exchange. As for the capital amount of Baht 287.09 million to be used to repay promissory notes in December 2017, it is expected that the Company will be able to procure loan from financial institutions with sufficient collateral. Such collateral includes ordinary shares of L Solar 1 to be acquired by the Company. For the bill of exchange, the Company expects to receive sufficient proceeds from the bill of exchange.

2) Other sources of fund

If the Company is unable to sufficiently procure sources of fund from credit facilities from financial institutions and/or the issuance of bill of exchange in 1), the Company may consider additionally procuring fund from the following sources of fund by considering the appropriateness timing of use, conditions, costs of financing, and impacts to financial position, performance, and sufficiency of working capital of the Company.

(1) Proceed from the exercise of QTC-W1

QTC-W1 had an exercise price of Baht 10 per share, and after the rights adjustment to QTC-W1, the exercise price is Baht 9.88 per share, which is lower than the weighted average price of the ordinary shares of the Company 7 days prior to the date that the board of directors resolves to propose the agenda to shareholders meeting to approve the offer for sale of newly issued shares (market price) of Baht 13.59 per share. It is possible that the holders of QTC-W1 will exercise their right to purchase ordinary shares of the Company in September 2017. If all holders of QTC-W1 exercise the right to purchase ordinary shares of the Company, the Company will receive total proceed of approximately Baht 675.10 million.

However, it is possible that only some QTC-W1 holders will exercise their rights. In addition, in 2017, the Company will have another capital requirement, including the payment for GEPT. Therefore, proceeds from the exercise of QTC-W1 can be used to finance part of fund required for acquisition of ordinary shares of L Solar 1.

(2) Loan from external party who is not a financial institution

The procurement of loan from external party who is not a financial institution, including high net worth investors requires negotiation on the terms and conditions of loan agreement, which may include collateral requirement. As a result, the procurement from this source of fund is uncertain and dependence on the result of negotiation.

(3) Internal source of fund

When considering capital requirement and internal source of fund, in 2017, the Company will need cash for investment at approximately Baht 765.69 million, which includes the Baht 538.01 million amounts to be used in the Transaction with detail as follows:

Investment	Expected cash requirement period	Amount (THB Million)
First payment for ordinary shares of Green Earth Power (Thailand) Limited ("GEPT") (US Dollar 1.5 million)	April 2017	52.08
Second payment for ordinary shares of GEPT (US Dollar 2 million)	June 2017	67.84
Deposit for L Solar 1 shares payment	August 2017	15.00
Repayment of existing promissory note	August 2017	40.00
Payment for capital increase in GEPT	August 2017	4.51

Investment	Expected cash requirement period	Amount (THB Million)
First payment for ordinary share of L Solar 1*	September 2017	250.93
Repayment of promissory note as a payment for remaining purchase price for ordinary shares of L Solar 1	December 2017	272.09
Final payment for ordinary shares of GEPT (US Dollar 1.879 million at the exchange rate of Baht 33.6586 for US Dollar 1 – Source: The Bank of Thailand dated 26 July 2017)	December 2017	63.24
<b>Total</b>		<b>765.69</b>

Remark: \*When the Seller receives the payment, the Seller will use such cash to pay for PP shares immediately.

For the Company's internal sources of fund, as of 31 March 2017, the Company has cash and cash equivalents and short-term investment of Baht 204.93 million, of which, only a portion can be used according to the investment requirement.

From the entire aforementioned financing plan, the Board of Directors believes that the Company and QTCGP will be able to procure sufficient sources of fund.

## 1.9. Conditions Precedent

Share Purchase Agreement has Conditions Precedent that shall be satisfied by each party as follows:

### Obligations of the Sellers

- Each of the Sellers shall obtain all necessary consents required in connection with the execution of L Solar 1's Share Purchase Agreement.

### Obligations of the Company

- The Company shall obtain the related approval from the Extraordinary General Meeting of Shareholders No.2/2017.
- The Company shall obtain the related approval from the Securities Exchange Commission of Thailand.
- The Company shall appoint 1 person who is nominated by Loxley as member of the board of directors of the Company, effective on the Completion Date.
- The Company has filed and registered the increase of the Company's authorized capital at the Company Registration Office, Ministry of Commerce to issue and offer the Company's ordinary shares to Loxley and Leonics in an amount and conditions specified in the Agreement.

Obligations to the Seller and QTCGP

- L Solar 1 and Loxley shall enter into Transitional Service Agreement with conditions agreed by QTCGP and Loxley.

**1.10. Opinion of the Board of Directors on the Transaction**

The meeting of the Board of Directors of the Company No. 8/2017 on 19 June 2017, by taking into account the share purchase price, relevant conditions, the payment term which includes the issuance of the newly issued shares of the Company at the price of 12 Baht per share, and the benefits and risks related thereto, was of the view that the acquisition of ordinary shares in L Solar 1, the purchase price including other terms and conditions are reasonable and will provide the utmost benefits to the Company and the shareholders. Therefore, the board of directors of the Company resolved to approve the acquisition of all ordinary shares in L Solar 1 and to propose such matter to the shareholders' meeting for further consideration and approval.

The details of the benefits for the Company and the shareholders, and the risks are below.

Expected Benefits to the Company

- The Company will be able to expand its business for sustainable growth and increase income sustainability, as well as reduce the risk of depending only on the business of transformers production and distribution. In addition, such investment is in line with the business policy in which the Company and/or subsidiaries of the Company will be the investor in the power producer and distributor business, and will increase the Company value in the future.
- Create opportunity to increase income from the investment with appropriate and continually return, and enhance the potential in long-term business operation of the Company on the grounds that the fluctuation of the business of power production and distribution is low. By investing in the Project, the Company will receive return from power distribution to PEA under the PPA, which will enhance financial strength and reinforce potential of business competitiveness of the Company in a long-run.
- Increase the investors' confidence towards the role of the Company in business of power production and distribution, especially as the Company expands its base for power production and distribution business, which will enhance the opportunity to continually expand the investment in such business both domestic and offshore in the future.
- Gain strategic partners as Loxley and Leonics, who are the existing shareholders of L Solar 1, have the knowledge and experience that will benefit the business operation of L Solar 1 as well as the opportunity to expand the business of the Company in the future.

Expected Benefits to the Shareholder

- The expansion of business into the power sector will diversify investment risk by reducing the risk of depending only on the business of transformers production and distribution, and reducing the fluctuation of business operation of the Company in the future, which will benefit the shareholders with more consistent dividend payment. In addition, such

investment will enhance the potential in long-term business operation of the Company, which will provide opportunities for shareholders to receive return, apart from dividend payment, as the capital gain will likely be increased in the future.

**Relevant Risks**

However, the board of directors of the Company has taken into account the risks involving such Project and was of the view that:

**Risks from Entering into the Transaction**

- **Risk from the contract parties unable to satisfy conditions precedent**  
The success of the transaction is subject to several conditions precedent. If the material conditions precedent have not been satisfied or waived, the Company may not be able to invest in the Project and earn expected return. However, the fact that the Sellers are determined to complete the transaction within the agreed timeframe provides confidence that the conditions precedent will be completed within the agreed timeframe and the Company will be able to invest in the Project and earn expected return.
- **Risk from making deposit**  
The Seller will return the deposit to the Buyer if the Share Purchase Agreement is terminated prior to Completion Date or if the Completion Date cannot occur due to the events specified in the Share Purchase Agreement, including failure to obtain approval from the Securities Exchange Commission of Thailand on the matter of issuance and offering of shares to private placement investors. (Please refer to Enclosure No.4 attached to the Notice of the Extraordinary General Meeting of Shareholders No.2/2017). In the case that such conditions are not satisfied, QTCGP has the risk of not receiving a refund on deposit. However, major action after Completion date is only the repayment of promissory note, which QTCGP will raise the capital as quickly as possible.
- **Risk relating to financing**  
The value of cash payment portion of the consideration to be paid to the Seller for the ordinary shares of L Solar 1 is higher than cash balance of the Company, and QTCGP is still in the process of raising capital, which yet to conclude. However, QTCGP will raise the capital as quickly as possible. If QTCGP cannot raise the capital, QTCGP will not receive a refund on the deposit as stated in the condition related to refund of deposit except the Share Purchase Agreement is terminated prior to the Completion Date as mutually agreed by the counterparties.
- **Risk that the Extraordinary General Meeting of Shareholders No.2/2017 resolves not to approve the purchase of L Solar 1's ordinary shares and related actions**  
Because the acquisition of L Solar 1's ordinary shares and related actions require approval from the Extraordinary General Meeting of Shareholders No.2/2017, if the Extraordinary General Meeting of Shareholders No.2/2017 resolves not to approve the Transaction, the Company will not receive a refund on deposit of Baht 15 million back from the Seller as such event does not qualify for the conditions of the refund of the deposit in Share Purchase Agreement.

Risks from Operating Solar Power Plant Business in Thailand

- Risk from less-than-normal solar radiation and climate change

Because the solar power plant heavily relies on solar radiation to generate electricity, the solar radiation that is less than normal or the incident of climate change will result in L Solar 1's solar power plant being unable to generate an expected amount of electricity, which will affect revenue of L Solar 1 and the expected return to QTCGP and the Company. Thus, L Solar 1 has the risk from less-than-normal solar radiation and climate change. The Company, however, has taken into consideration this risk when determining purchase price, which ensures that the actual return will not be less than the expected return. When considering the historical operating result of L Solar 1 since its commercial operation date, L Solar 1 has stable operating profit.

- Risk from faster-than-expected degradation of photovoltaic modules

Photovoltaic module is one of the major equipment in the power generation of solar power plant. Faster-than-usual degradation of photovoltaic module may have negative impact on power generation such that the amount of electricity generated will be lower, which also negatively affects the performance of L Solar 1 and return to QTCGP and the Company.

If L Solar 1's solar power plant generates less electricity than the amount stated in Energy Output Warranty, the photovoltaic module's manufacturer will replace the defective photovoltaic module, or compensate for the damages under the conditions specified in the warranty for L Solar 1 at an amount calculated from method stated in the warranty. DuPont (Shenzhen) Manufacturing Limited ("DuPont"), the manufacturer of L Solar 1's photovoltaic module, will compensate for the damage to L Solar 1 by repairing or replacing photovoltaic modules that generate electricity less than that specified in the warranty. However, L Solar 1 has been compensated by cash as DuPont has discontinued its photovoltaic module manufacturing business since 2014. Thus, DuPont will compensate for such damages in the form of cash for the amount of electricity generated that is less than the amount specified in the warranty.

- Risk that solar panel's warranty period is less than the Project life

L Solar 1's solar panels are currently under energy output warranty from DuPont. However, such warranty covers 25 years after the photovoltaic module is shipped. The warranty period is expected to expire in 2035 – 2036, which is during the power purchase agreement period between L Solar 1 and the PEA (**"Power Purchase Agreement"**), since the Power Purchase Agreement is renewed. As a result, L Solar 1 may incur additional expenses in replacing photovoltaic module. However, such risk has been taken into consideration when negotiating purchase price.

- Risk related to efficiency and stability of electricity generation process

There are numerous factors that affect efficiency and stability of L Solar 1's electricity generation process, e.g. less-than-expected efficiency and life of main equipment in generating electricity, losses incurred during electricity generation process, lower electricity generating efficiency of photovoltaic module due to over-temperature, and a temporary shutdown of power plant caused by both internal factors, such as technical problems in electricity generation process, and external factors, such as unstable transmission line system

or maintenance shutdown, or the amount of electricity transmitted to the transmission system exceeds the demand, causing L Solar 1 to be unable to send electricity to the transmission system, etc.

However, L Solar 1 has managed the risks associated with the efficiency and stability of electricity generation process by (1) monitoring the performance of the power plant through Leonics' computer system to identify and resolve the problem as soon as possible in order to return the power plant to operate as usual, and (2) scheduling the maintenance of the power plant regularly to ensure efficient operation of the plant.

- Risk from switching to other photovoltaic module manufacturers

As DuPont's solar panel business has been discontinued since 2014, L Solar 1 is no longer able to purchase any additional photovoltaic module from DuPont. In the event that L Solar 1 is to purchase additional photovoltaic module from other manufacturers, equipment and other machines, e.g. inverter, may have to be adjusted, in order to accommodate the specifications of the new photovoltaic module that are different from those of DuPont. However, L Solar 1 has kept a number of photovoltaic modules as spare parts for replacement in case those damages arise to the functioning photovoltaic modules. It is expected that the number of spare photovoltaic modules is sufficient for the operation of L Solar 1 in the future. In case that the damages arise in the future, QTCGP will consider the reasonableness and value of such additional investment at that time. In addition, the Company has taken into consideration this risk when determining purchase price.

- Risk relating to continuity of plant operation

Majority of L Solar 1 management team are LOXLEY's employees, who L Solar 1 pays monthly service fees to LOXLEY. However, after the transaction, the management team may resign from their position in order to resume their duties at LOXLEY, which may negatively affect L Solar 1 operation, and return to QTCGP and the Company.

To mitigate this risk, QTCGP will negotiate with LOXLEY to continue receiving services from such employees to operate L Solar 1 on an ongoing basis, in order to have smooth transition of L Solar 1 operation after the transaction. However, if there is any unexpected event that could result in the management of L Solar 1 not being able to continue its management, QTCGP may consider employing an Operation and Maintenance Engineer (O&M) who is experienced in managing power plant.

In addition, the board of directors has considered the future indebtedness in case that the Company procure source of fund from issuance of bill of exchange with the face value of not exceeding 620,000,000 Baht to offer for sales to specific group of investors not exceeding 10 investors and is of the opinion that the procurement of source of fund is for short-term financing and expects that the future indebtedness will not affect the working capital of the Company.

**1.11. Opinion of the Company's Audit Committee and/or Director which is different from the Opinion of the Board of Directors**

None and three of the audit committees has no opinion that is different from that of the board of directors..

**2. Responsibility of the Board of Directors with Respect to the Information in the Documents Sent to Shareholders**

The board of directors is responsible for the information contained in this information memorandum and other documentation sent to shareholders. The board of directors has carefully reviewed the information disclosed to the board of directors and hereby certifies that the information in this information memorandum and other documentation sent to shareholders is correct, complete, does not contain any false statement, concealment of material facts that are needed to be disclosed, nor statement that may cause material misunderstanding.

**3. Qualifications of Independent Experts who Provide Opinions on the Transaction**

The Company has appointed Capital Advantage Co., Ltd. as the independent financial advisor to provide an opinion on the purchase of shares in L Solar 1, which is considered as the acquisition of assets. Capital Advantage Co., Ltd. is a financial advisor certified by the Office of the Securities and Exchange Commission and has knowledge and experience in providing independent financial advisory services.

Capital Advantage Co., Ltd. does not own any shares in the Company and does not have any relationship with the Company. Capital Advantage Co., Ltd. also gives the permission to disclose the independent financial advisor report dated 3 August 2017. (Please refer the independent financial advisor report in Enclosure No.3 enclosed to the letter of invitation to the Extraordinary General Meeting of Shareholders No. 2/2017)

**4. Details on the Existing Liabilities of the Company and its Subsidiaries and Contingent Liabilities**

**4.1. Outstanding Debt Securities of the Company and its Subsidiaries as of 31 March 2017**

As of 31 March 2017, the Company and its subsidiaries have outstanding debt securities of Baht 40 million with detail as follows:

No.	Type	Value (THB Million)	Discount Rate (Percent)	Issuing Date	Maturity Date
1	Bill of Exchange	40.00	3.50	17 February 2017	24 August 2017
	<b>Total</b>	<b>40.00</b>			

**4.2. Term Loans of the Company and its Subsidiaries and Collateral as of 31 March 2017**

None

#### 4.3. Other Liabilities of the Company and its Subsidiaries including Overdraft and Collateral as of 31 March 2017

As of 31 March 2017, the Company and its subsidiaries have total other liabilities including overdraft and collateral of Baht 412.01 million. The details are as follow:

Number	Type of Liability	Outstanding Balance as of 31 March 2017 (THB million)	Collateral
1	Short-term loans from banks	265.47	None
2	Trade accounts payable	94.99	None
3	Other accounts payable	4.85	None
4	Accrued expenses	15.39	None
5	Advance from customers	4.74	None
6	Other current liabilities	12.81	None
7	Liabilities under finance lease agreements	5.44	None
8	Liabilities under employee benefits obligation	8.33	None
	<b>Total</b>	<b>412.01</b>	

#### 4.4. Contingent Liabilities as of 31 March 2017

The Company and its subsidiaries have the following contingent liabilities:

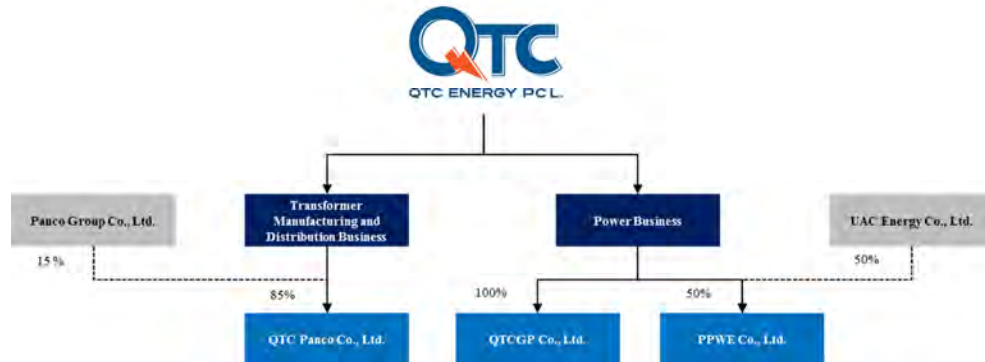
- Obligations under a domestic bank guarantees for performance bonds required in the normal course of business approximately Baht 102.26 million
- Commitment of financial advisory fee under a fund raising financial advisory agreement as specified in the agreement
- Commitment of financial advisory fee under an investment in renewable energy companies financial advisory agreement as specified in the agreement

### 5. Summary of Important Information of the Company

#### 5.1. Business Overview and Outlook of the Company, its Subsidiaries and Associates

##### 5.1.1. Business Overview

The Company conducts the businesses of manufacturing and distributing custom made electricity distribution transformers to domestic and foreign customers under the “QTC” trademark and customer trademarks. The Company has a plan to expand its business to power business such as solar power plant business. The Company, its subsidiaries’ business and shareholdings structure are as follow:



The Company, its subsidiaries, and associates' business overview can be summarized as follows:

Company Name	Paid-up Registered Capital as of 31 Marh 2017 (Million Baht)	Direct and Indirect Shareholding by the Company as of 31 March 2017 (Percent)	Business Overview
<b>Transformer Manufacturing and Distribution Business</b>			
QTC Energy Public Co., Ltd.	270.00	-	Transformer Manufacturing and Distribution Business both domestic and abroad
QTC Panco Co., Ltd.	21.95	85	Transformer Manufacturing and Distriution Business in Laos.
<b>Power Business</b>			
QTC Global Power Co., Ltd.	140.00	100	Set up to invest in power business.
PPWE Co., Ltd.	0.50	50	Set up to jointly invest in power business with UAC Energy Co., Ltd., which is a subsidiary of UAC Global Public Company Limited

### 5.1.2. Business Outlook

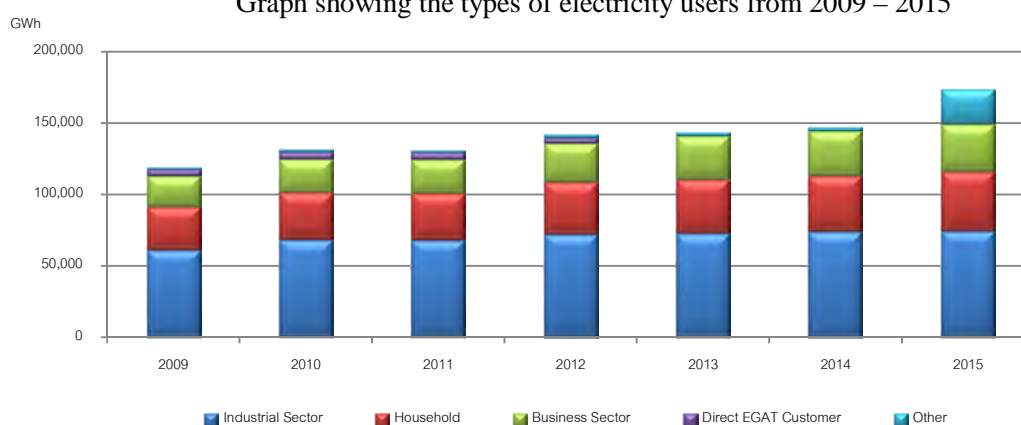
#### a) Domestic Market

The electricity transformer manufacturing industry is related to the electricity industry, a basic necessity that plays an important role to the daily lives of people and national economic growth, because electricity transformers are equipment used to reduce the voltage of electrical currents sent from a power source at a level that suits the needs of users such as residents in homes, industrial factories, malls, or high-rise buildings such as hotels, condominiums and office buildings. Therefore, the growth of the electricity transformer industry is adjusted according to annual electricity requirements, which depend on primary factors composed of population, industrial and economic growth.

#### Domestic Power Demand

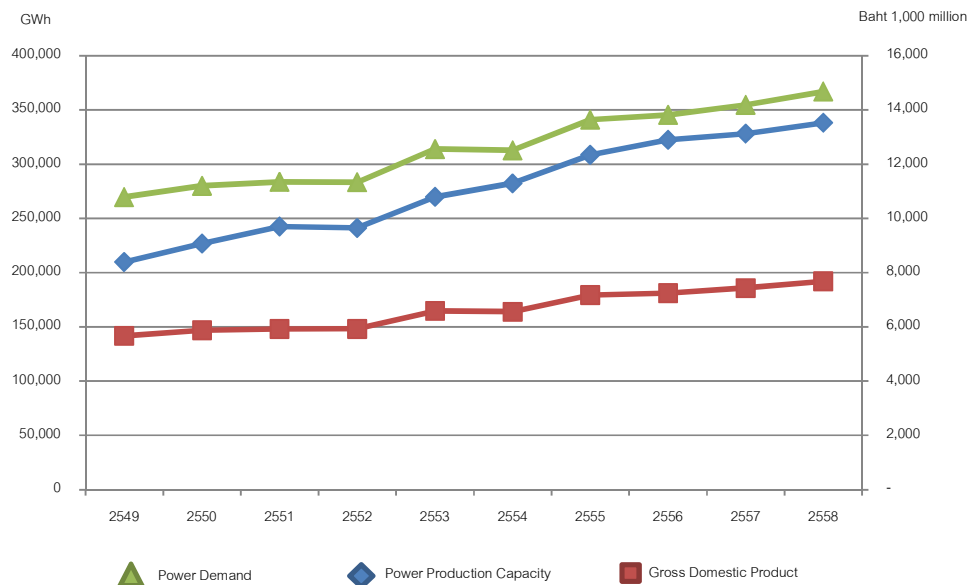
Since electricity is necessary for living and economic growth, electricity users comprise a diverse range of users in industry, business, agriculture and homes. According to the graph below, which shows the amount of electricity used by user type, it is obvious that the industry sector has the highest proportion of electricity use, followed by homes and businesses. In 2015, the electricity used by the aforementioned sectors amounted 74,773 GWh, 41,286 GWh and 33,219 GWh, or proportions of 43.44 percent, 23.99 percent, and 18.49 percent of all domestic electricity consumption, respectively.

Graph showing the types of electricity users from 2009 – 2015



Source: Electricity Policy and Planning Office, Ministry of Energy

Graph showing the relationship between the power production capacity, power demand and gross domestic product\*



Source: Electricity Policy and Planning Office, Ministry of Energy and the Office of the National Economics and Social Development Board

\* gross domestic product as at 14 December 2016

Apart from economic growth influencing the aforementioned demands for power, population growth is a significant factor determining national power demand. Thailand's continual population growth has resulted in community expansions and increased investment in the transmission system by the Provincial Electricity Authority and the Metropolitan Electricity Authority responsible for power distribution to power users in the country. Hence, the demand for electrical transformers in the power transmission system has escalated.

As previously mentioned, power is a basic, essential energy. Inadequate amounts of power for consumer demands will affect the living conditions of the public and the overall view of businesses and the national economy. In cooperation with the Electricity Generating Authority of Thailand, therefore, the Ministry of Energy has prepared the latest Thailand Power Development Plan. This plan is the Thailand Power Development Plan 2015 – 2036 (PDP 2015) approved by the National Energy Policy Office (NEPO) in a meeting held on 14 May 2015 and approved by the Ministerial Cabinet on 30 June 2015. The preparation of the aforementioned Power Development Plan was based on projections on Thailand's future power needs for the first time.

#### Thailand Power Development Plan of 2015 – 2036 (PDP 2015)

At the end of the plan in late 2036, Thailand will have a total net power production capacity of 70,335 megawatts composed of the current power production capacity at the end of 2014 of 37,612 megawatts and the deduction of the power production capacity of retired power plans in 2015 – 2036. According to the guidelines for preparing the aforementioned plan, the

Thailand Power Development Plan of 2015 – 2036 (PDP 2015) can be briefly summarized as follows

Power Production Capacity in 2015 – 2036	megawatts
Power Production Capacity in December 2014	37,612
New Power Production Capacity in 2015 - 2036	57,459
Power Production Capacity Retired in 2015 – 2036	-24,736
Total Power Production Capacity at the End of 2036	70,335

Power Production Capacity during 2015 – 2036 Categorized by Power Plant Type

Power Plant Types	megawatts
Renewable Energy Power Plants	21,648
- Domestic	12,105
- Foreign Power Purchases	9,543
Pumped Storage Hydro Power Plants	2,101
Cogeneration Power Plants	4,119
Combined Cycle Power Plants	17,478
Thermal Energy Power Plants	12,113
- Coal/Lignite Power Plants	7,390
- Nuclear Power Plants	2,000
- Gas Turbine Power Plants	1,250
- Foreign Power Purchases	1,473
<b>Total</b>	<b>57,459</b>

At this phase of the plan for the first ten years (2015-2026), power plant projects are mostly projects with contract obligations aimed at reinforcing power system security in key risk areas by having a new power production capacity of 36,804 megawatts as follows:

Power Plant Types	megawatts
Renewable Energy Power Plants	10,644
- Domestic	8,101
- Foreign Power Purchases	2,543
Pumped Storage Hydro Power Plants	1,300
Cogeneration Power Plants	4,119
Combined Cycle Power Plants	14,878
Thermal Energy Power Plants	5,863
- Coal/Lignite Power Plants	4,390
- Foreign Power Purchases	1,473
<b>Total</b>	<b>36,804</b>

b) International Market

The factors affecting power demand in foreign countries are economic growth and world population growth. The Energy Information Administration (EIA) in the US estimates the growth of power production capacity in each continent around the world until the year 2035, which have an average growth rate of approximately 2.30 % per year. The growth of power production of countries outside the Organization of Economic Cooperation and Development (OECD) to be considerably higher than that of OECD countries at 3.3% versus 1.1%, respectively. Asian countries outside OECD are the places where power production growth is the highest at the average of 4.1% per year. Thus, current trends indicate growth for the demand for transformers to be higher than in other regions.

Considering the Company's customer base in other countries, in 2016, 53.94% of total export sale of electrical transformer was from sale to customers in Australia, one of the Company's key export markets, which is a large market with a strong industrial sector. The Company has expanded export to other countries within the region including Laos, Cambodia, Myanmar, Malaysia, the Philippines, Singapore and Bangladesh. These countries are in the process of industrial development including basic industry such as mining, power plants, industrial estate constructions, manufacturing industries and continually increasing foreign investment in order to mitigate risks and expand customer bases.

**5.2. Summary of financial statements during the past 3 years and the present year until the latest quarter, as well as the explanation and analysis of financial position and operating result in the past year and the present year until the latest quarter including risk factors which may affect the profit of the Company and its subsidiaries**

**5.2.1. Summary of financial statements during the past 3 years and the present year until the latest quarter**

Statement of Financial Position for the year ended 31 December 2014, 2015, and 2016 and for the three month period ended 31 March 2017

Statement of Financial Position	2014		2015		2016		31 Mar 2017	
	(Separated F/S)		(Consolidated F/S)		(Consolidated F/S)		(Consolidated F/S)	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
<i>Current Assets</i>								
Cash and Cash Equivalents	86.24	12.10	93.56	8.75	98.65	8.08	92.83	8.09
Temporary Investment	0.11	0.02	20.00	1.87	221.87	18.17	112.10	9.77
Trade Accounts Receivable								
- General Customers - Net	146.17	20.51	469.62	43.93	234.55	19.21	258.97	22.57
- Related Companies	2.99	0.42	0.82	0.08	0.68	0.06	1.63	0.14
- Other Accounts - Subsidiary	-	-	-	-	0.04	0.03	0.63	0.06
Inventories - Net	136.29	19.12	155.28	14.53	207.54	17.00	220.50	19.21
Refundable Value Added Tax	1.93	0.27	-	-	7.70	0.63	11.71	1.02
Expenses Paid in Advance	4.74	0.67	6.95	0.65	4.68	0.38	8.88	0.77
Other Current Assets	4.52	0.63	5.11	0.48	6.86	0.56	6.02	0.52
<b>Total Current Assets</b>	<b>382.98</b>	<b>53.73</b>	<b>751.33</b>	<b>70.29</b>	<b>782.94</b>	<b>64.13</b>	<b>713.26</b>	<b>62.15</b>
<i>Non - Current Assets</i>								
Restricted Deposits with Bank	0.77	0.11	-	-	-	-	-	-
Loans for Joint Companies	-	-	-	-	17.00	1.39	17.00	1.48
Other Investments	0.05	0.01	0.05	0.00	0.05	0.00	0.05	0.00
Deposits for Investment Projects	-	-	-	-	-	-	81.11	7.07
Deposits for Feasibility Studies of Recoverable Investment Projects	-	-	-	-	81.11	6.64	-	-
Property, Plant and Equipment - Net	323.42	45.37	308.63	28.87	307.20	25.16	300.14	26.15
Computer Software	2.11	0.30	4.13	0.39	6.54	0.54	6.12	0.53
Deferred Income Tax Asset	3.44	0.48	4.81	0.45	23.92	1.96	27.96	2.44
Non - Current Assets	-	-	-	-	2.04	0.17	2.00	0.17
<b>Total Non - Current Assets</b>	<b>329.80</b>	<b>46.27</b>	<b>317.62</b>	<b>29.71</b>	<b>437.86</b>	<b>35.87</b>	<b>434.39</b>	<b>37.85</b>
<b>Total Assets</b>	<b>712.78</b>	<b>100.00</b>	<b>1,068.95</b>	<b>100.00</b>	<b>1,220.80</b>	<b>100.00</b>	<b>1,147.65</b>	<b>100.00</b>
<i>Liabilities and Shareholders' Equity</i>								
<i>Current Liabilities</i>								
Overdrafts and Short-term Loans from Banks	66.68	9.35	215.12	20.12	311.06	25.48	265.47	23.13
Trade Accounts Receivable	66.17	9.28	164.56	15.39	108.38	8.88	94.99	8.28
Other Payables	3.05	0.43	5.22	0.49	6.27	0.51	4.85	0.42
Current Portion of Long-term Loans	24.68	3.46	18.08	1.69	-	-	-	-
Current Portion of Payables According to Lease/Purchase Contracts	3.63	0.51	4.06	0.38	2.71	0.22	2.77	0.24
Accrued Income Tax	12.93	1.81	29.23	2.73	-	-	-	-
Accrued Expenses	12.37	1.74	24.95	2.33	15.34	1.26	15.39	1.34
- Related Companies	-	-	-	-	0.05	0.00	-	-
Deposits for Received Goods	3.76	0.53	3.76	0.35	7.25	0.59	4.74	0.41
Accrued Value Added Tax	-	-	11.21	1.05	-	-	-	-
Other Current Liabilities	5.77	0.81	8.99	0.84	5.22	0.43	12.81	1.12
<b>Total Current Liabilities</b>	<b>199.02</b>	<b>27.92</b>	<b>485.17</b>	<b>45.39</b>	<b>456.28</b>	<b>37.38</b>	<b>401.02</b>	<b>34.94</b>
<i>Non - Current Liabilities</i>								
Long-term Loans - Net	19.52	2.74	0.75	0.07	-	-	-	-

Statement of Financial Position	2014		2015		2016		31 Mar 2017	
	(Seperated F/S)		(Consolidated F/S)		(Consolidated F/S)		(Consolidated F/S)	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Lease/Purchase Contract Payables – Net	3.55	0.50	5.49	0.51	2.75	0.23	2.67	0.23
Liabilities Under Employee Benefits Obligation	2.57	0.36	4.28	0.40	4.11	0.34	8.33	0.73
<b>Total Non – Current Assets</b>	<b>25.64</b>	<b>3.60</b>	<b>10.51</b>	<b>0.98</b>	<b>6.86</b>	<b>0.56</b>	<b>11.00</b>	<b>0.96</b>
<b>Total Liabilities</b>	<b>224.66</b>	<b>31.52</b>	<b>495.69</b>	<b>46.37</b>	<b>463.14</b>	<b>37.94</b>	<b>412.01</b>	<b>35.90</b>
<b>Shareholders' Equity</b>								
Share Capital								
Registered	200.00	28.06	200.00	18.71	270.00	22.12	270.00	23.53
Issued and Fully Paid	200.00	28.06	200.00	18.71	270.00	22.12	270.00	23.53
Premium on Common Shares	45.94	6.45	45.94	4.30	304.94	24.98	304.94	26.57
Retained Earnings								
Appropriated for Legal Reserve	20.00	2.81	20.00	1.87	20.00	1.64	20.00	1.74
Unappropriated	222.19	31.17	303.93	28.43	159.40	13.06	138.23	12.04
Other Components of Equity	-	-	0.36	0.03	0.35	0.03	(0.38)	(0.03)
<b>Total Equity of the Company's Shareholders</b>	<b>488.12</b>	<b>68.48</b>	<b>570.23</b>	<b>53.34</b>	<b>754.69</b>	<b>61.82</b>	<b>732.79</b>	<b>63.85</b>
Non – Controlling Interests in Subsidiary	-	-	3.04	0.28	2.97	0.24	2.85	0.25
<b>Total Shareholders' Equity</b>	<b>488.12</b>	<b>68.48</b>	<b>573.26</b>	<b>53.63</b>	<b>757.67</b>	<b>62.06</b>	<b>735.63</b>	<b>64.10</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>712.78</b>	<b>100.00</b>	<b>1,068.95</b>	<b>100.00</b>	<b>1,220.80</b>	<b>100.00</b>	<b>1,147.65</b>	<b>100.00</b>

**Statement of Comprehensive Income for the year ended 31 December 2014, 2015, and 2016**

Statement of Comprehensive Income	2014		2015		2016	
	(Seperated F/S)		(Consolidated F/S)		(Consolidated F/S)	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
<b>Income</b>						
Income from Sales	743.83	96.24	1,209.57	97.96	518.34	96.07
Income from Services	16.68	2.16	19.63	1.59	12.89	2.39
Other Income	12.38	1.60	5.59	0.45	8.32	1.54
<b>Total Income</b>	<b>772.88</b>	<b>100.00</b>	<b>1,234.79</b>	<b>100.00</b>	<b>539.55</b>	<b>100.00</b>
<b>Costs and Expenses</b>						
Cost of Sales	(565.14)	(73.12)	(924.77)	(74.89)	(493.53)	(91.47)
Cost of Services	(15.01)	(1.94)	(11.64)	(0.94)	(10.02)	(1.86)
Selling and Administrative Expenses	(115.35)	(14.92)	(139.92)	(11.33)	(127.44)	(10.02)
<b>Total Expenses</b>	<b>(695.50)</b>	<b>(89.99)</b>	<b>(1,076.33)</b>	<b>(87.17)</b>	<b>(631.50)</b>	<b>(117.04)</b>
Profit (Loss) Before Deducting Interest and Income Tax Financial Costs	77.38	10.01	158.46	12.83	(91.95)	(17.04)
Juristic Person Income Tax	(7.54)	(0.98)	(8.77)	(0.71)	(7.76)	(1.44)
	(14.54)	(1.88)	(31.14)	(2.52)	19.11	3.54
<b>Net Profit (Loss) for the Year</b>	<b>55.30</b>	<b>7.15</b>	<b>118.55</b>	<b>9.60</b>	<b>(80.59)</b>	<b>(14.94)</b>
Comprehensive Profit (Loss) for the Actuarial Loss	(0.59)	(0.08)	(1.06)	(0.09)	-	-
Exchange Differences from Foreign Currency	-	-	0.36	0.03	(0.00)	(0.00)
<b>Other Comprehensive Profit (Loss) for Year-Net from Taxes</b>	<b>(0.59)</b>	<b>(0.08)</b>	<b>(0.70)</b>	<b>(0.06)</b>	<b>(0.00)</b>	<b>(0.00)</b>
<b>Total Comprehensive Profit (Loss) for the Year</b>	<b>54.70</b>	<b>7.08</b>	<b>117.85</b>	<b>9.54</b>	<b>(80.60)</b>	<b>(14.94)</b>
Basic Net Profit (Loss) Per Share Net Profit (baht Per Share)	0.28	-	0.59	-	(0.34)	-
Par Value (Baht)	<b>1.00</b>	<b>-</b>	<b>1.00</b>	<b>-</b>	<b>1.00</b>	<b>-</b>

Statement of Comprehensive Income for the three month period ended 31 March 2016 and 2017

Statement of Comprehensive Income	Three-month Period Ended 31 Mar 2016 (Consolidated F/S)		Three-month Period Ended 31 Mar 2017 (Consolidated F/S)	
	Million Baht	Percent	Million Baht	Percent
<b>Income</b>				
Income from Sales	81.74	94.22	194.94	95.52
Income from Services	3.15	3.69	4.36	2.14
Other Income	1.86	2.15	4.79	2.35
<b>Total Income</b>	<b>86.75</b>	<b>100.00</b>	<b>204.08</b>	<b>100.00</b>
<b>Costs and Expenses</b>				
Cost of Sales	(81.57)	(94.02)	(178.24)	(87.34)
Cost of Services	(2.67)	(3.08)	(3.40)	(1.67)
Selling and Administrative Expenses	(30.44)	(35.09)	(41.33)	(20.25)
<b>Total Expenses</b>	<b>(114.68)</b>	<b>(132.19)</b>	<b>(222.98)</b>	<b>(109.26)</b>
Profit(Loss) from Equity Method	(0.25)	(0.29)	-	-
Profit (Loss) Before Deducting Interest and Income Tax Financial Costs	(28.18)	(32.49)	(18.90)	(9.26)
Juristic Person Income Tax	(2.40)	(2.77)	(2.34)	(1.15)
Net Profit (Loss) for the Year	(24.81)	(28.59)	(18.16)	(8.90)
Comprehensive Profit (Loss) for the Actuarial Loss	-	-	(3.14)	(1.54)
Exchange Differences from Foreign Currency	0.01	0.02	(0.74)	(0.38)
<b>Other Comprehensive Profit (Loss) for Year-Net from Taxes</b>	<b>0.01</b>	<b>0.02</b>	<b>(3.87)</b>	<b>(1.90)</b>
<b>Total Comprehensive Profit (Loss) for the Year</b>	<b>(24.79)</b>	<b>(28.58)</b>	<b>(22.04)</b>	<b>(10.80)</b>
Basic Net Profit (Loss) Per Share Net Profit (baht Per Share)	(0.12)	-	(0.07)	-
Par Value (Baht)	<b>1.00</b>	-	<b>1.00</b>	-

Statement of Cash Flows for the year ended 31 December 2014, 2015, and 2016 and for the three month period ended 31 March 2016 and 2017

Statement of Cash Flows (Unit : Million Baht)	2014 (Separate F/S)	2015 (Consolidated F/S)	2016 (Consolidated F/S)	Three-month Period Ended 31 Mar 2016	Three-month Period Ended 31 Mar 2017
<b>Cash Flows from Operating Activities</b>					
Net Profit Before Income Tax	69.84	149.69	(99.71)	(30.58)	(21.24)
Adjustments to Reconcile Net Profit to Cash from Operating Activities	38.10	40.02	42.81	10.75	10.85
Depreciation and Amortization	3.21	2.50	7.96	1.22	0.03
Provision for Doubtful Account	0.08	1.03	5.35	4.39	(4.28)
Provision (Reversal of Allowance) for Obsolete Inventories	(2.44)	(0.71)	0.03	0.05	(2.04)
Profit (Loss) from Sales of Assets	(3.80)	0.49	1.26	1.01	1.35
Unrealized Loss (Gain) on Exchange Rate	0.01	(0.00)	(1.87)	(0.08)	(0.57)
Unrealized Loss (Gain) on Re-evaluation of Investment	-	-	0.50	0.25	-
Share of Loss of Joint Companies by the Equity Method	1.25	0.27	1.25	0.12	0.23
Provision for Employee Benefits Obligation					
Interest Payment	7.54	8.77	7.76	2.40	2.34

Statement of Cash Flows (Unit : Million Baht)	2014 (Separate F/S)	2015 (Consolidated F/S)	2016 (Consolidated F/S)	Three-month Period Ended 31 Mar 2016	Three-month Period Ended 31 Mar 2017
<b>Cash Provided from Operations before Changes in Operating Assets and Liabilities</b>	<b>113.78</b>	<b>202.05</b>	<b>(34.66)</b>	<b>(10.46)</b>	<b>(13.32)</b>
<b>Decrease (Increase) in Operating Assets</b>					
Ordinary Trade Debtors-Customers Related	(24.11)	(326.60)	227.33	153.08	(23.91)
Company Debtors	0.12	2.17	0.13	(1.93)	(0.95)
Other Debtors-Subsidiaries	-	-	(0.40)	-	(0.23)
Inventories	14.98	(20.02)	(57.61)	(42.83)	(8.67)
Refundable Value Added Tax	(1.56)	13.14	(18.91)	(13.96)	(4.00)
Prepaid Expenses	-	-	-	(1.16)	(4.20)
Other Current Assts	(1.49)	(2.80)	2.16	1.76	1.49
Other Non-Current Assets	-	-	(2.04)	(0.01)	0.05
<b>Increase (Decrease) in Operating Liabilities</b>					
Trade Accounts Payable	(11.41)	100.73	(55.26)	(106.46)	(15.38)
Other Accounts Payable - General	-	-	-	(0.14)	(1.43)
Other Accounts Payable - Related Parties	-	-	-	0.05	(0.05)
Accrued Expenses	0.06	12.58	(9.61)	(10.48)	0.05
Deposits for Received Goods	(3.89)	0.01	3.49	2.52	(2.51)
Other Current Liabilities	(4.36)	3.24	(3.78)	(1.79)	7.59
Payment for Employee Benefits Obligation	(1.97)	-	(1.60)	-	-
Cash Gained from Operations	80.03	(15.49)	49.23	(31.22)	(65.46)
Tax Payment	(13.47)	(16.03)	(30.56)	(0.11)	(0.65)
Interest Payment	(7.02)	(8.25)	(7.14)	(2.22)	(2.18)
<b>Net Cash Provided (Used) from Operations</b>	<b>59.54</b>	<b>(39.77)</b>	<b>11.53</b>	<b>(33.56)</b>	<b>(68.29)</b>
<b>Cash Flows from Financing Activities</b>					
Decrease (Increase) in Restricted Cash					
Deposits	(0.19)	0.77	-	-	-
Decrease (Increase) in Temporary Investment	10.74	(19.89)	(200.00)	(30.00)	110.33
Increased Short-Term Lending-Joint Companies	-	-	(17.00)	-	-
Increased Investment in Joint Companies	-	-	(0.50)	(0.50)	-
Deposits for Feasibility Studies for Repayable Investment Projects	-	-	(81.11)	-	-
Proceeds from Sales of Assets	5.14	1.27	0.01	-	2.11
Purchase of Other Fixed Assets	(45.73)	(19.32)	(40.87)	(8.49)	(3.60)
Purchase of Computer Program	(1.65)	(2.89)	(3.26)	(1.35)	-
<b>Net Cash Gained (Used) from Investing Activities</b>	<b>31.69</b>	<b>(40.06)</b>	<b>(342.74)</b>	<b>(40.34)</b>	<b>108.84</b>
<b>Cash Flows from Financing Activities</b>					
Increase (Decrease) in Overdrafts and Short – Term	(2.57)	148.44	94.66	33.26	(45.61)
Repayment of Long-term Bank Loans	(9.82)	(25.37)	(18.82)	(6.15)	-
Payment of Liabilities Under Purchase/Lease Contracts	(4.59)	(3.65)	(4.52)	(1.35)	(0.10)
Proceeds from Paid Up Share Capital	-	-	329.00	-	-
Receipt of Paid Up Share Capital by Subsidiaries for the Portion Not under Control	-	3.29	0.00	-	-
Dividend Cash Payment	(41.99)	(36.00)	(64.00)	-	-
<b>Net Cash Provided from (Used in) Financing Activities</b>	<b>(58.97)</b>	<b>86.71</b>	<b>336.31</b>	<b>25.76</b>	<b>(45.61)</b>
Differences from Foreign Currency Translation in Subsidiary's Financial Statements	-	0.45	(0.00)	0.02	(0.77)
Net Increase (Decrease) in Cash and Cash Equivalents	(31.12)	7.32	5.09	(48.12)	(5.82)
Cash and Cash Equivalents as of 1 January	117.36	86.24	93.56	93.56	98.65
Cash and Cash Equivalents as of 1 December	86.24	93.56	98.65	45.44	92.83

## **5.2.2. Discussion and analysis of operating result and financial position in the past year and the present year until the latest quarter**

### **5.2.2.1 Operating Results**

The Company operates in the business of producing and distributing electrical transformers, a business related and involved with the production and demand for power, because electrical transformers are used to adjust voltage from the source to reach levels matching power user needs such as industrial factories, residential homes and skyscrapers, etc. Therefore, the Company's growth trends are in the same direction as continually rising power demands. Hence, EGAT which is responsible for Thailand's entire power production and transmission system, including the Metropolitan Electricity Authority (MEA) and the Provincial Electricity Authority (PEA), which are responsible for distributing power to power users, will have to modify and expand the power transmission system for concurrence with the Thailand Power Development Plan, thereby increasing the demand for electrical transformers.

In 2016, the company increased investment in the energy business and formed a subsidiary, namely, QTC Global Power Co., Ltd., and a joint company, namely PPWE Co., Ltd., to invest in alternative energy projects for the year 2016. At the present, both companies are conducting studies for investment projects.

In 2014 and 2015, the Company's sales total of electrical transformers were Baht 736.66 million and Baht 1,198.99 million, respectively, an increase resulting from expansion of investment in alternative energy projects, particularly, sunlight energy. In 2016, the Company's sales of electrical transformers decreased to Baht 513.09 million, a decrease by 57.21 percent from 2015 because in 2016 economic and investment conditions slowed and caused increased market competitions as well as a slowing down of growth in alternative energy business investments. In the past, the prices of vital raw materials such as silicon steel, copper foil and copper wire used to insulate low voltage coils had significant fluctuations. However, with the management team's experience of over 20 years in the transformer industry in addition to the use of modern machinery and efficient production technology, the Company has always profited in the past. Furthermore, the Company is aware of the importance of implementing Enterprise Resource Planning (ERP) in the management of every sector of the Company such as production, procurement, sales, accounting and finance including warehouse management as an interrelated system capable of real-time data connections, which boosts the Company's overall performance.

Due to the great importance placed on transformer quality by the Company, the Company's electrical transformer products can be seen to have received certification of standards by various institutes whether if it was the Thai Industrial Standards Institute TISI 384-2543 from the Thai Industrial Standards Institute Office, Ministry of Industry, ISO 9001:2000 for distribution transformer design, production and maintenance in addition to receiving a certificate for laboratory capacity meeting TISI 17025-2548 standards (ISO/IEC 17025:2005). Furthermore, the Company is capable of producing electrical transformers with quality meeting various international standards. This proves our world-class quality and customer acceptance.

#### **(a) Income**

The Company had total income of Baht 772.88 million in 2014, Baht 1,234.79 million in 2015, and Baht 539.55 million in 2016. Sale and services income details including other income can be summarized as follows:

**Income from Sales**

Customer Type	2014			2015			2016		
	Million Baht	Ratio (%)	Growth Rate (%)	Million Baht	Ratio (%)	Growth Rate (%)	Million Baht	Ratio (%)	Growth Rate (%)
State Agencies and Enterprises	189.58	25.74	(29.90)	336.54	28.07	77.51	90.03	17.55	(73.25)
Sales Representatives	95.57	12.97	(33.91)	83.24	6.94	(12.90)	96.83	18.87	16.33
Private	451.51	61.29	25.63	779.21	64.99	72.58	326.23	63.58	(58.13)
Total Income from Sales	736.66	100.00	(4.88)	1,198.99	100.00	62.76	513.09	100.00	(57.21)

In 2014, the Company had sales income of Baht 736.66 million, a reduction from 2013 by 4.88 percent. Income from electrical transformer sales to private sector customers rose from Baht 359.41 million in 2013 to Baht 451.51 million in 2014, a growth of 25.63 percent as a result of alternative energy power plant project expansions in 2014. Income from the public sector and state enterprises dropped from Baht 270.46 million in 2013 to Baht 189.58 million in 2014 or a reduction of 29.90 percent as a result of domestic economic slowdown and political uncertainty.

In 2015, the Company had sales income of Baht 1,198.99 million, an increase from 2014 by 62.76 percent. Income from electrical transformer sales to state agencies, state enterprises and to private sector customers rose from Baht 189.58 million and Baht 451.51 million in 2014 to Baht 336.54 million and Baht 779.21 million in 2015, a growth of 77.51 percent and 72.58 percent resulted from alternative energy power plant project expansions in 2015. Income from sale representatives dropped from Baht 95.57 million in 2014 to Baht 83.24 million in 2015 or a reduction by 12.90 percent as a result of lower sales by sale representatives overseas in line with the regional economic slowdown of the sale representatives' country.

In 2016, the Company had sales income of Baht 513.09 million, a decrease from 2015 by 57.21 percent. Income from electrical sales to state agencies, state enterprises and to private sector decreased from Baht 779.21 million in 2015 to Baht 326.23 million in 2016, a decrease of 58.13 percent because of increased market competitions and slowing down of investment in alternative energy projects. Income from sales representatives increased from Baht 83.24 million in 2015 to Baht 96.83 million in 2016, an increase of 16.33 percent as a result of higher sales by same representatives overseas in line with the regional economic growth of the sale representatives' country.

The Company had total income of Baht 86.75 million and Baht 204.08 million for the three-month period ended 31 March 2016 and 2017, respectively. Sale and services income details including other income can be summarized as follows:

### Income from Sales

Customer Type	Three-month period ended 31 March 2016		Three-month period ended 31 March 2017		
	Million Baht	Ratio (%)	Million Baht	Ratio (%)	Growth Rate (%)
State Agencies and Enterprises	-	-	76.48	39.23	-
Sales Representatives and Private Sector	60.78	74.36	61.52	31.56	1.21
Foreign	18.97	23.21	52.23	26.79	175.28
Sales of Raw Materials	1.99	2.43	4.71	2.42	137.01
Total Income from Sales	<b>81.74</b>	<b>100.00</b>	<b>194.94</b>	<b>100.00</b>	<b>138.49</b>

For the three-month period ended 31 March 2017, the Company had sales income of Baht 194.94 million, an increase from the three-month period ended 31 March 2016 by 138.49 percent. Income from electrical transformer sales to private sector customers and dealers rose from Baht 60.78 million for the three-month period ended 31 March 2016 to Baht 61.52 million for the three-month period ended 31 March 2017, equivalent to 1.21 percent increase. Income from the public sector and state enterprises rose from Baht 0.00 million for the three-month period ended 31 March 2016 to Baht 76.48 million for the three-month period ended 31 March 2017 as the Company had expanded its customer base into public sector and state enterprises in the fourth quarter of 2016 which were delivered and recognized in the first quarter of 2017. Income from foreign customers rose from Baht 18.97 million for the three-month period ended 31 March 2016 to Baht 52.23 million for the three-month period ended 31 March 2017, equivalent to 175.28 percent increase due to increasing order in Australia. Apart from transformer sales, the Company also had income from sales of raw materials, including spare parts of transformer. Income from sales of raw materials rose from Baht 1.99 million for the three-month period ended 31 March 2016 to Baht 4.71 million for the three-month period ended 31 March 2017, equivalent to 137.01 percent increase.

### Income from Services

The Company's income from services in 2014 – 2016 amounting to Baht 16.68 million, Baht 19.63 million and Baht 12.89 million, respectively. Income from services can be divided into (1) income from transformer repairs; (2) income from providing transformer inspection and maintenance services; (3) income from steel cutting services (4) income from the lease of transformers and others. Whereas income from services in 2016 was found to be composed of Baht 6.39 million from transformer repairs or 49.65 percent of income from services, Baht 3.99 million from transformer inspection and maintenance services or 30.98 percent of income from services, Baht 1.48 million from testing services or 11.52 percent of income from services and Baht 0.24 million from lease of transformers or 1.85 percent of income from services.

For the three-month period ended 31 March 2016 and 2017, the Company had income from services of Baht 3.15 million and Baht 4.36 million, respectively. For the three-month period ended 31 March 2017, income from services consisted of (1) income from transformer repairs of Baht 2.82 million, equivalent to 64.65 percent of service revenue; (2) income from providing transformer

inspection and maintenance services of Baht 0.81 million, equivalent to 18.58 percent of service revenue; (3) income from steel cutting services of Baht 0.61 million, equivalent to 14.03 percent of service revenue (4) income from the lease of transformers and others of Baht 0.09 million, equivalent to 1.96 percent of service revenue.

### **Other Income**

Other income of the Company consists of income from selling scrap, gain from exchange rates, interest income, income from short-term investments, etc. In 2014 – 2016, the Company had other income amounting Baht 12.38 million, Baht 5.59 million and Baht 8.32 million, respectively. In 2016, other income was composed of Baht 2.00 million from selling scrap, Baht 2.62 million, income from short-term investments, Baht 1.72 million of gain from exchange rates and Baht 1.98 million from other income.

For the three-month period ended 31 March 2016 and 2017, the Company had other incomes of Baht 1.86 million and baht 4.79 million, respectively. For the three-month period ended 31 March 2017, other income of the Company consists of gain on sales of fixed assets of Baht 2.04 million, income from selling scrap of Baht 1.59 million, income from short-term investment of Baht 0.57 million, gain from exchange rates of Baht 0.29 million, and other incomes of Baht 0.30 million.

### **(b) Costs and Expenses**

The Company's main expenses consisted of costs of sale and service, sale and management expense and interest expense. In 2014 – 2016, the Company had total expenses of Baht 703.04 million, Baht 1,085.09 million and Baht 639.26 million, respectively. For the three-month period ended 31 March 2016 and 2017, the Company had total expenses of Baht 114.68 million and Baht 222.98 million, respectively as follows:

### **Costs of Sales and Service and Gross Profit**

Costs of sale and service are considered the Company's main expenses. The Company had costs of sale and service amounting to Baht 580.15 million in 2014, Baht 936.41 million in 2015 and Baht 503.55 million in 2016 or 82.52 percent, 85.2, 86.30 percent and 78.77 percent of total expenses, respectively.

When costs of sale and service are compared to income from sales and services, the Company has the aforementioned ratios at 76.29 percent, 76.18 percent, and 94.79 percent of income from sales and services, respectively, or the gross profit of 23.71 percent, 23.82 percent and 5.21 percent, respectively. Factors impacting gross profits of the Company are as follows:

1. Proportions of product sale of each customer (customer mix) in each year. Due to the fact that the Company's customers can be divided into the following three main types: (1) state agencies and enterprises; (2) sales representatives and (3) private sector customers, all of which had different gross profits. In 2014 and 2015, state agencies and enterprises are the group with the highest gross profits from large orders, making costs per unit lower than transformer production for other types of customers, followed by foreign sales representatives.

In 2016, proportions of transformers sales to state agencies and enterprises decreased from 28.07 percent in 2015 to 17.55 percent in 2016. Furthermore, the decrease in the growth of the economy and investments increased domestic competitions by a rather significant factor and decreased sales prices, especially in domestic customers consisting of state agencies and enterprises and private sector customers in the country, thereby leading to a large decrease in gross profit from 23.82 percent in 2015 to 5.21 percent in 2016.

2. Raw material costs, especially main raw materials such as silicon, coated round wires and copper foil are raw materials with few producers and prices adjusted based on the supply and demand of the global market. This has resulted in a high degree of fluctuation. In 2015, the price of silicon rose continuously at the rate of 40 – 50 percent of the demand for silicon until the end of 2015. Demand for silicon then decreased continually in 2016, a rate of decrease of 20 – 30 percent, while the prices of coated round wires and copper foil slightly decreased in 2016.

For the three-month period ended 31 March 2016 and 2017, the Company had costs of sale and service amounting to Baht 84.24 million and Baht 181.65 million, equivalent to 73.46 percent and 81.46 percent of total expenses, respectively.

When costs of sale and service are compared to income from sales and services, the Company has the aforementioned ratios at 99.23 percent and 91.15 percent of income from sales and services, respectively, or the gross profit of 0.77 percent and 8.85 percent, respectively. Factors impacting gross profits of the Company are proportions of product sale to each customer (customer mix) in each period. For the three-month period ended 31 March 2017, the revenue from foreign sales had the highest gross profit ratio as the Company had expanded its customer base especially in Australia causing gross profit to rise from 0.77 percent to 8.85 percent, respectively.

### **Selling and General Administrative Expenses**

The Company had selling and general administrative expenses of Baht 115.35 million in 2014, Baht 139.92 million in 2015 and Baht 127.44 million in 2016 or ratios of 14.92 percent, 11.33 percent and 23.53 percent of total income, respectively.

In 2014, the Company had selling and general administrative expenses of Baht 115.35 million, an increase by 6.75 percent from 2013 because the Company had higher expenses related to executives and employees from increases to salaries, continuing investments in fixed assets and higher marketing costs from 2013 at 23.92 percent to build more brand awareness and increase competitiveness. Significant selling and general administrative expenses in 2014 consisted of expenses related to executives and employees at 21.37 percent, depreciation at 12.73 percent and marketing expenses at 10.31 percent of sales and management expenses.

In 2015, the Company had selling and general administrative expenses of Baht 139.92 million, an increase by 21.30 percent from 2014 because the Company had higher expenses related to executives and employees from increases to salaries and selling expenses such as transformer transportation costs and packaging costs, etc. Significant selling and general administrative expenses in 2015 consisted of expenses related to executives and employees at 24.73 percent and depreciation at 10.28 percent of selling and general administrative expenses.

In 2016, the Company had selling and general administrative expenses of Baht 127.44 million, a decrease from 2015 by 8.56 percent, because the Company's selling expenses decreased such as transformer delivery fees, packaging fees and testing fees. The Company's significant administrative expenses consisted of expenses related to executives and employees at 18.47 percent, depreciation at 11.47 percent and marketing expenses at 7.68 percent of selling and general administrative expenses.

For the three-month period ended 31 March 2016 and 2017, the Company had selling and general administrative expenses of Baht 30.44 million and Baht 41.33 million or ratios of 35.09 percent and 20.25 percent of total income, respectively, increase from the three-month period ended 31 March 2016 by 35.77 percent due to an increase in outsourced logistic fee, management compensation, and management advisory fee.

### **Interest Expense**

In 2014 – 2016, the Company had interest expense of Baht 7.54 million, Baht 8.77 million, and Baht 7.76 million, respectively. Most of the Company's interest expense was incurred by the use of B/E, P/N and LC/TR facilities which are working capital loan facilities for the purchase of domestic and imported raw materials. Furthermore, the Company has a long-term loan from a commercial bank to invest in machinery to increase production efficiency, resulting in paid interest expense from the aforementioned long term loan.

For the three-month period ended 31 March 2016 and 2017, the Company had interest expense of Baht 2.40 million and Baht 2.34 million, equivalent to 2.77 percent and 1.15 percent of total revenue, respectively. In the three-month period ended 31 March 2017, interest expense increased from the three-month period ended 31 March 2016 by 2.45 percent. Most of the Company's interest expense was incurred by the use of B/E, P/N and LC/TR facilities which are working capital loan facilities for the purchase of domestic and imported raw materials.

### **(c) Net Profit**

Based on the aforementioned performance, the Company had net profit in 2014 – 2016 at Baht 55.30 million, Baht 118.55 million and net loss of Baht 80.59 million, respectively, or net profit rates of 7.15 percent, 9.60 percent and 14.94 percent, respectively.

Considering net profit during the past year, the Company's net profit increased or decreased depending on the Company's income, including the proportion of income from sales to each customer with high gross profit margin has increased. This is because approximately 37 – 40 percent of the Company's selling and general administrative expenses did not vary by income such as expenses related to executives and employees, and depreciation, etc. In 2015, net profit margin increased to 9.60 percent as a result of increase in the sale revenue of the Company by 61.63 percent from 2014 and increased proportion of produce sales to state and state enterprises and private customers.

In 2016, the Company's net loss was Baht 80.59 million or a decrease of 15.17 percent due to decreased income from the sale of Company by 56.78 percent due to the slowing economic conditions and decreased investment in alternative energy projects, decreased state enterprise work auctions and market competition. Furthermore, decreased sales resulted in increased production capital per unit because expenses did not fluctuate along with production and sales. The aforementioned expenses of the Company amounted to 30 – 40 percent of total expenses.

For the three-month period ended 31 March 2016 and 2017, the Company had net loss of Baht 24.81 million and Baht 18.16 million, or net profit margins of (28.59) percent and (8.90) percent, respectively.

For the three-month period ended 31 March 2017, the Company had net loss of Baht 18.16 million, decrease in loss from the three-month period ended 31 March 2016 by 26.78 percent due to 1.) an increase in the company's sales by 138.49 percent from expanding sales to public sector and state enterprises in the fourth quarter of 2016 which were delivered and recognized in the first quarter of 2017 and 2.) an increase in the Company's gross profit margin from the changing customer mix that focused on foreign customers, especially in Australia, which has the highest gross margin.

### **Return on Equity**

When considering return on equity, the return on equity varies in the same direction as net profit. The Company had return on equity of 11.18 percent in 2014, 20.72 percent in 2015 and (12.11) percent in 2016. Return on equity from 2015 because performance in 2016 suffered a net loss, and the shareholders' equity of the Company increased as a result of capital increase and share premium by Baht 329 million from the Company's performance at 32.17 percent. Furthermore, in 2014 – 2016, the company continually paid dividends to shareholders at the dividend payout ratio of 75.96 percent, 30.37 percent and (79.41) percent, respectively.

### **5.2.2.2 Financial Position**

#### **(a) Assets**

At the end of 2014 – 2016, the Company had total assets of Baht 712.78 million, Baht 1,068.95 million and Baht 1,220.80 million, respectively. The Company's significant assets are property, plant and equipment, trade accounts receivable, inventories and temporary investments. In 2016, the ratio of the aforementioned assets to total assets was 25.16 percent, 19.21 percent and 17.00 percent and 18.17 percent, respectively.

As of 31 December 2016 and 31 March 2017, the Company had total assets of Baht 1,220.80 million and Baht 1,147.65 million, respectively. The Company's significant assets are property, plant and equipment, trade accounts receivable, inventories and temporary investments. As of 31 March 2016, the ratio of the aforementioned assets to total assets was 26.15 percent, 22.57 percent and 19.21 percent and 9.77 percent, respectively.

The details of the Company's significant assets can be summarized as follows:

### **Trade Accounts Receivable**

The Company has trade accounts receivable before deducting provision for doubtful accounts of Baht 157.82 million at the end of 2014, Baht 481.60 million at the end of 2015 and Baht 254.35 million, which were 20.93 percent, 44.01 percent and 20.93 percent of total assets, respectively. At the end of 2016, trade accounts receivable before deducting provision for doubtful accounts decreased by 47.19 percent compared to 2015 because in 2016 total product sales decreased by a rather large margin and causing a decrease in the total final installment receivable. The Company has policy to provide a credit term of approximately 30 – 60 days to customers. For new customers, however, the Company may stipulate that customers pay for goods in cash before delivery or pay a deposit in advance. In the case of foreign customers, the customer may be required to transfer funds into accounts or pay in L/C at Sight, depending on customer analysis by the Sales Department by

giving primary consideration to customer capacity to repay debt. In the past, the Company had a mean collection time of 68.72 days in 2014 and 94.37 days in 2015 and 252.32 days in 2016. The mean collection time in 2016 significantly rose due to decreased sales by 58.13 percent and a large number of remaining receivables relative to sales ratios due to a rather large sales total at the end of the year.

Outstanding Payment Period	At 31 Dec 2014		At 31 Dec 2015		At 31 Dec 2016	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Not Due	79.47	50.35	328.37	68.18	111.85	43.98
Overdue for Payment:						
No More than 3 Months	60.59	38.39	128.10	26.60	111.07	43.67
3-6 Months	3.40	2.15	9.30	1.93	9.11	3.58
6-12 Months	4.55	2.89	4.65	0.97	3.20	1.25
More than 12 Months	9.82	6.22	11.18	2.32	19.12	7.52
Trade Accounts Receivable Before Deducting Provision for Doubtful Accounts	157.82	100	481.60	100	254.35	100
Deduction: Provision for Doubtful Accounts	(8.67)		(11.16)		(19.12)	
Trade Accounts Receivable-Net	149.16		470.44		235.23	

According to the aforementioned table, the Company's trade accounts receivable not due for payment at the end of 2014 – 2016 had ratios of 50.13 percent, 68.18 percent and 43.98 percent of trade accounts receivable before deducting provision for doubtful accounts, respectively, while customers overdue for payment of the Company had ratios of 49.65 percent, 31.82 percent and 56.02 percent of trade accounts receivable before deducting provision for doubtful accounts, respectively. Most of the customers were overdue for no more than three months. This is because the Company was unable to collect from waiting for bill placement and customer payments along with the fact that most of the Company's private sector customers are power system contractors who purchased transformers from the Company for installation at various projects. Therefore, payments to the Company are dependent on customers' ability to collect from project owners, which may require a long period of time. Nevertheless, the Company was able to collect all debts from the aforementioned trade accounts receivable.

At the end of 2014 – 2016, the Company had proportion of trade accounts receivable overdue for payment by more than one year at 6.22 percent, 2.32 percent and 7.52 percent of trade accounts receivable before deducting provision for doubtful accounts, respectively. In 2016, trade accounts receivable overdue for payment by more than one year increased from 2015 by 71.28 percent. The Company considered various options to follow-up on the aforementioned debts including legal actions or negotiations for trade accounts receivable to gradually pay off liabilities to the Company in cases where trade accounts receivable can be contacted by considering the suitability and needs of each trade account receivable. The management gave proper attention to and closely followed up on the progress and actions of related parties at monthly meetings. Thus,

the Company received payments from trade accounts receivable with provision for doubtful accounts at Baht 2.11 million in 2014, Baht 1.24 million in 2015 and Baht 0.80 million in 2016. With regard to policy in setting provision for doubtful accounts in 2015 and 2016, the Company considered setting provision for doubtful accounts from trade accounts receivable overdue for more than one year at the full amount. At the end of 2016, the Company set provision for doubtful accounts at Baht 19.12 million.

As of 31 December 2016 and 31 March 2017, the Company has trade accounts receivable before deducting provision for doubtful accounts of Baht 253.67 million and Baht 278.12 million, which were 20.78 percent and 24.23 percent of total assets, respectively. As of 31 March 2017, trade accounts receivable before deducting provision for doubtful accounts increased by 9.64 percent compared to 31 December 2016 due to an increase in sales that caused trade accounts receivables to increase accordingly.

Outstanding Payment Period	At 31 Dec 2016		At 31 Mar 2017	
	Million Baht	Percent	Million Baht	Percent
Not Due	111.54	43.97	117.09	42.10
Overdue for Payment:				
No More than 3 Months	110.70	43.64	112.24	40.36
3-6 Months	9.11	3.59	21.24	7.64
6-12 Months	3.20	1.26	8.40	3.02
More than 12 Months	19.12	7.54	19.15	6.89
Trade Accounts Receivable Before Deducting Provision for Doubtful Accounts	253.67	100.00	278.12	100.00
Deduction: Provision for Doubtful Accounts	(19.12)		(19.15)	
Trade Accounts Receivable-Net	234.55		258.97	

According to the aforementioned table, the Company's trade accounts receivable not due for payment as at 31 December 2016 and 31 March 2017 had ratios of 43.97 percent and 42.10 percent of trade accounts receivable before deducting provision for doubtful accounts, respectively, while customers overdue for payment of the Company had ratios of 56.03 percent and 57.90 percent of trade accounts receivable before deducting provision for doubtful accounts, respectively. Most of the customers were overdue for no more than three months due to the customers' delay in making payment. However, the Company did not extend any credit term to the customers.

As of 31 December 2016 and 31 March 2017, the Company had proportion of trade accounts receivable overdue for payment by more than one year at 7.54 percent and 6.89 percent of trade accounts receivable before deducting provision for doubtful accounts, respectively. As of 31 March 2017, trade accounts receivable overdue for payment by more than one year increased from 31 December 2016 by 9.64 percent. The Company considered various options to follow-up on the aforementioned debts including legal actions or negotiations for trade accounts receivable to gradually pay off liabilities to the Company in cases where trade accounts receivable can be contacted by considering the suitability and needs of each trade account receivable. The management gave proper attention to and closely followed up on the progress and actions of related

parties at monthly meetings. With regard to policy in setting provision for doubtful accounts as at 31 December 2016 and 31 March 2017, the Company considered setting provision for doubtful accounts from trade accounts receivable overdue for more than one year at the full amount. As of 31 March 2017, the Company set provision for doubtful accounts at Baht 19.15 million.

### **Inventories**

At the end of 2014 – 2016, the Company had lower inventories before deducting allowance for obsolete and decline value of inventories by Baht 139.72 million, Baht 159.75 million and Baht 217.36 million, respectively. The largest amount of inventories was raw materials contributing to 42.70 percent, 50.47 percent and 49.70 percent of total inventory, respectively. This was due to the following:

- Raw materials used in transformer production such as silicon and copper foil are goods with few producers requiring reservations from producers or suppliers in advance in order to have sufficient amounts for production and reduction of risks from raw material price fluctuations.
- Generally, the production of a set of transformers requires different raw material sizes and the amount of raw materials used for each size is different while raw material purchase orders require minimum orders, leaving an amount of remaining raw materials.
- Because some types of raw materials such as copper foil and coated round wires, etc., are rolled, there are scraps of copper or wire left at the ends of rolls. The Company considers the sales of the aforementioned raw material scrap as fitting. While unamortized, the Company continues to record the aforementioned copper or wire scrap as outstanding raw materials.

	31 Dec 2014		31 Dec 2015		31 Dec 2016	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Raw Material	59.66	42.70	80.63	50.47	108.04	49.70
Work in Process	11.27	8.07	7.50	4.70	10.52	4.84
Finished Goods	60.75	43.47	61.11	38.25	72.73	33.46
Goods in Transit	8.04	5.76	10.51	6.58	26.07	11.99
Total Inventories	139.72	100	159.75	100	217.36	100
Deduction Allowance for Obsolete and Decline Values	(3.44)		(4.47)		(9.82)	
Inventories – Net	136.28		155.28		207.54	

When the proportion of finished goods in inventories is considered at 43.47 percent at the end of 2014, 38.25 percent at the end of 2015 and 33.46 percent at the end of 2016, sales time equaled 95.14 days, 59.10 days and 139.45 days, respectively. Finished goods are composed of the following: (1) completed transformers awaiting delivery to customers. Because the Company delivers the goods to the customer at the sites specified by the customer in most transformer sales,

customers are required to prepare facilities for the receipt of transformers from the Company. In some cases, customers will notify the Company to reschedule deliveries. Consequently, the Company will continue recording the aforementioned transformers as finished goods because the Company may only record as income when transformers have been delivered to customers in compliance with the Company's accounting policy; (2) transformers reserved for sale. Because the Company's sales grew by leaps and bounds in 2011 and 2012, the Company has given importance to producing finished transformers to reserve for sale since 2013. These are standard-sized transformers with regular purchase orders allowing the Company to plan for more effective production. This is why the Company has a number of finished transformers remaining.

In 2016, the Company had inventories before deducting allowance for obsolete and decline value at Baht 217.36 million, an increase from the end of 2015 by 36.07 percent. The aforementioned inventories before deducting allowance consisted of raw materials at Baht 108.04 million, an increase from the end of 2015 by 33.99 percent, works in process at Baht 10.52 million, an increase from the end of 2015 by 40.26 percent, and finished goods at Baht 72.73 million, an increase from the end of 2015 by 19.02 percent, due to acceleration in electrical transformer production to keep up with the product delivery schedules of customers, most of which were due for delivery in early 2017.

At the end of 2015 and 2016, the Company set allowances for obsolete value at Baht 4.47 million and Baht 9.82 million, respectively, as an allowance for all types of inventory. The Production Department will consider using each inventory. If any inventory cannot be used, the Company will consider selling the aforementioned inventory as scrap and setting an allowance for obsolete value equal to the difference between net costs and value expected to be gained from selling finished goods. The Company set lower allowance for decline value at Baht 3.92 million at the end of 2015 and Baht 8.87 million at the end of 2016.

As of 31 December 2016 and 31 March 2017, the Company had inventories before deducting allowance for obsolete and decline value of inventories of Baht 217.36 million and Baht 226.03 million, respectively. The largest amount of inventories was raw materials contributing to 49.70 of total inventories as at 31 December 2016 and 55.26 percent of total inventories as at 31 March 2017. This was due to the following:

- Raw materials used in transformer production such as silicon and copper foil are goods with few producers requiring reservations from producers or suppliers in advance in order to have sufficient amounts for production and reduction of risks from raw material price fluctuations.
- Generally, the production of a set of transformers requires different raw material sizes and the amount of raw materials used for each size is different while raw material purchase orders require minimum orders, leaving an amount of remaining raw materials.
- Because some types of raw materials such as copper foil and coated round wires, etc., are rolled, there are scraps of copper or wire left at the ends of rolls. The Company considers the sales of the aforementioned raw material scrap as fitting. While unamortized, the Company continues to record the aforementioned copper or wire scrap as outstanding raw materials.

	31 Dec 2016		31 Mar 2017	
	Million Baht	Percent	Million Baht	Percent
Raw Material	108.04	49.70	124.90	55.26
Work in Process	10.52	4.84	34.89	15.44
Finished Goods	72.73	33.46	59.25	26.21
Goods in Transit	26.07	11.99	6.98	3.09
Total Inventories	217.36	100.00	226.03	100.00
Deduction Allowance for Obsolete and Decline Values	(9.82)		(5.54)	
Inventories – Net	207.54		220.50	

As of 31 December 2016 and 31 March 2017, the proportions of finished goods to total inventories were at 33.46 percent and 26.21 percent, respectively. Finished goods are composed of the following: (1) completed transformers awaiting delivery to customers. Because the Company delivers the goods to the customer at the sites specified by the customer in most transformer sales, customers are required to prepare facilities for the receipt of transformers from the Company. In some cases, customers will notify the Company to reschedule deliveries. Consequently, the Company will continue recording the aforementioned transformers as finished goods because the Company may only record as income when transformers have been delivered to customers in compliance with the Company's accounting policy; (2) transformers reserved for sale. Because the Company's sales grew by leaps and bounds in 2011 and 2012, the Company has given importance to producing finished transformers to reserve for sale since 2013. Moreover, the Company also expanded customer base into public sector and state enterprises, and foreign customers in 2016. These are standard-sized transformers with regular purchase orders allowing the Company to plan for more effective production. This is why the Company has a number of finished transformers remaining.

As of 31 March 2017, the Company had inventories before deducting allowance for obsolete and decline value at Baht 226.03 million, an increase from 31 December 2016 by 3.99 percent. The aforementioned inventories before deducting allowance consisted of raw materials of Baht 124.90 million, an increase from 31 December 2016 by 15.61 percent, works in process of Baht 34.89 million, an increase from 31 December 2016 by 231.63 percent, and finished goods of Baht 59.25 million, a decrease from 31 December 2016 by 18.53 percent.

### **Property, Plant, and Equipment**

The Company has net property, plant and equipment at Baht 323.42 million at the end of 2014, Baht 308.63 million at the end of 2015 and Baht 307.20 million at the end of 2016 or the proportion in total assets of 45.37 percent, 28.87 percent and 25.16 percent, respectively. In 2014, the Company had higher factory machinery and equipment from 2013 at Baht 43.38 million from investment in factory machinery and equipment purchases to improve production efficiency with machines such as steel cutting machines and steel folding machines.

In 2015 and 2016, the company had lower net property, plant and equipment by Baht 14.79 million and Baht 1.43 million as a result from considering normal property depreciation and investments in machinery efficiency improvements in certain parts. The Company continually

invested in machinery and equipment to improve efficiency and production capacity since 2012 to the present.

As of 31 December 2016 and 31 March 2017, the Company had net property, plant and equipment at Baht 307.20 million and Baht 300.14 million or the proportion in total assets of 25.16 percent and 26.15 percent, respectively.

As of 31 March 2017, the company's net property, plant and equipment decreased by Baht 7.07 million as a result of ordinary property depreciation. As of 31 March 2017, the Company also invested in fixed assets amounting to Baht 3.60 million, including building improvement of Baht 1.55 million, purchase of vehicles of Baht 1.09 million, other equipment of Baht 0.82 million and computer program of Baht 0.14 million.

**(b) Liquidity**

**Cash Flows**

In 2014, the Company had net cash flow from operating activities of Baht 59.54 million, a reduction from 2013 because the Company had profit before tax of Baht 69.84 million and used the aforementioned cash flow as working capital. Trade accounts receivable increased by Baht 24.23 million and the Company increased investment in fixed assets by Baht 45.73 million. Significant investment in assets consisted of factory machinery and equipment of Baht 29.20 million, office supplies and office decorations of Baht 6.57 million and vehicles of Baht 3.15 million. In addition, the Company had net cash flow from financing activities of Baht 58.98 million. The Company paid long-term loans from banks of Baht 25.22 million with drawdown of more long term loans by Baht 15.40 million and paid dividends of Baht 42.00 million to shareholders. From the aforementioned causes, the Company's cash and cash equivalents had decreased by Baht 31.12 million in 2014.

In 2015, the Company had net cash flow from operating activities of Baht 39.77 million, a reduction from 2014 because the Company had profit before tax of Baht 149.69 million and used the aforementioned cash flow as working capital. Trade accounts receivable increased by Baht 321.28 million and the Company increased investment in various funds by Baht 19.89 million along with investing in vehicle fixed assets of Baht 5.65 million. In addition, the Company had net cash flow from financing activities of Baht 86.71 million. The Company made more drawdown of short term loans of Baht 148.44 million and paid more long term loans from banks of Baht 25.37 million and paid dividends of Baht 36.00 million to shareholders. For the aforementioned reasons, the Company's cash and cash equivalents had increased by Baht 7.32 million in 2015.

In 2016, the Company had a net cash flow from operating activities of Baht 11.53 million, an increase from 2015. Although the Company's performance shows that it generated a loss of as much as Baht 99.71 million in 2016, the Company had net decrease in trade payable from Baht 336.60 million in 2015 to Baht 227.33 million in 2016. The Company also spent a significantly higher amount of cash in investing activities through investments in funds by Baht 200.00 million and investments in permanent assets, machinery and factory equipment by Baht 43 million in addition to a deposit of Baht 81 million in energy investment project studies. Furthermore, the Company's net amount of cash obtained from financing activities was Baht 336.31 million. The Company has increased short-term loans by Baht 75.83 million and cash received from capital increased by Baht 329.00 million. In addition, the Company paid dividend of Baht 64.00 million to shareholders. Hence, the Company's cash and cash equivalent increased by Baht 5.09 million in 2016.

(Unit: Million Baht)	2014	2015	2016
Net Cash Received from (Used in) Operating Activities	59.54	(39.77)	11.53
Net Cash Received from (Used in) Investing Activities	(31.69)	(40.06)	(342.74)
Net Cash Received from (Used in) Financing Activities	(58.98)	86.71	336.31
Net Increased (Decreased) Cash and Cash Equivalents	(31.12)	7.32	5.09

For the three-month period ended 31 March 2017, the Company had net cash flow used in operating activities of Baht 68.29 million, a reduction from the three-month period ended 31 March 2016 because the Company had loss before tax of Baht 21.24 million and used the aforementioned cash flow as working capital. Trade accounts receivable increased by Baht 24.86 million and trade accounts payable decreased by Baht 15.38 million. The Company's cash increased from disposal of temporary investment in money market fund amounting to Baht 110.33 million. Furthermore, the Company had net cash flow used in financing activities of Baht 45.61 million, in which the Company made repayment on short-term loan from financial institution of Baht 45.51 million. From the abovementioned activities, the Company's cash and cash equivalent decreased by Baht 5.82 million.

(Unit: Million Baht)	Three-month period ended 31 March 2016	Three-month period ended 31 March 2017
Net Cash Received from (Used in) Operating Activities	(33.56)	(68.29)
Net Cash Received from (Used in) Investing Activities	(40.34)	108.84
Net Cash Received from (Used in) Financing Activities	25.76	(45.61)
Net Increased (Decreased) Cash and Cash Equivalents	(48.12)	(5.82)

### **Liquidity Ratio**

At the end of 2014 – 2016, the Company had liquidity ratios of 1.92 times, 1.55 times and 1.72 times, respectively, and had quick ratios of 1.18 times, 1.20 times and 1.22 times, respectively. Significant difference of quick ratios from the Company's liquidity ratios occurred from high ratios of inventories to current assets at 35.59 percent, 20.67 percent and 26.51 percent, respectively.

When the Company's cash cycle was considered, the Company obviously had a cash cycle of 109.20 days in 2014, 99.45 days in 2015 and 275.54 days in 2016. The Company's mean collection periods in 2014 – 2016 were 68.72 days, 94.37 days and 252.32 days, respectively. In 2016, the Company's collection period was 252.32 days, an increase from the previous year because of income from the sales of goods in 2016 that significantly decreased when compared to 2015 and goods sales to large projects with delivery at the end of the year, resulting in higher outstanding trade accounts receivable. The Company has monitored the situation closely to ensure more effective monitoring of debts.

	2014	2015	2016
Liquidity Ratio	1.92	1.55	1.72
Quick Ratio	1.18	1.20	1.22
Accounts Receivable Days	68.72	94.37	252.32
Inventory Days	95.14	59.10	139.45
Accounts Payable Days	54.65	54.02	116.22
Cash Cycle	109.20	99.45	275.54

**(c) Source of Capital  
Liabilities**

At the end of 2014 – 2016, the Company had total liabilities of Baht 224.66 million, Baht 495.69 million and Baht 463.14 million, respectively. Total liabilities had noticeable upward or downward trends concurrent with increased or decreased sales because the Company needs to purchase sufficient raw materials for production. When the liability structure of the Company is considered, most of the liabilities are found to be current liabilities used in the Company's normal business operations. When calculated in ratios, the ratio of current liabilities to total liabilities was equal to 88.59 percent at the end of 2014, 97.88 percent and 98.52 percent at the end of 2016. Significant current liabilities consist of short-term loans from banks at 67.16 percent of total liabilities at the end of 2016, most of which were in bills of exchange, promissory notes (P/N and LC/TR used to purchase the raw materials from in the country and overseas. Furthermore, current liabilities also include trade accounts payable at 23.40 percent of total liabilities at the end of 2016.

As of 31 December 2016 and 31 March 2017, the Company had total liabilities of Baht 463.14 million and Baht 412.01 million, respectively. The Company's total liabilities decreased by Baht 55.26 million, equivalent to 12.11 percent decrease due to the repayment of short-term loan from financial institutions amounting to Baht 45.61 million. When considering the liability structure of the Company, most of the liabilities are found to be current liabilities used in the Company's normal business operations. When calculating ratios, the ratio of current liabilities to total liabilities was equal to 98.01 percent as at 31 December 2016 and 97.33 percent as at 31 March 2017. Significant current liabilities consist of short-term loans from banks at 66.20 percent of total liabilities as at 31 March 2017, most of which were in bills of exchange, promissory notes (P/N and LC/TR used to purchase the raw materials from in the country and overseas. Furthermore, current liabilities also include trade accounts payable at 23.69 percent of total liabilities as at 31 March 2017.

**Shareholders' Equity**

At the end of 2014, the Company had shareholders' equity of Baht 488.12 million, an increase from the end of 2013 by Baht 12.70 million and an increase from profits for the year of Baht 55.29 million. The Company paid dividends of Baht 42.00 million to shareholders.

At the end of 2015, the Company had shareholders' equity of Baht 571.30 million, an increase from the end of 2014 by Baht 83.17 million and an increase from profits for the year of Baht 119.17 million. The Company paid dividends of Baht 35.99 million to shareholders.

At the end of 2016, the Company had shareholders' equity of Baht 757.67 million, an increase from the end of 2015 by Baht 184.41 million and an increase from capital increase during

the year at Baht 329 million, a decrease from operating performance loss of Baht 80.60 million. The Company paid dividends of Baht 64.00 million to shareholders.

As of 31 December 2016 and 31 March 2017, the Company had shareholders' equity of Baht 757.67 million and Baht 735.63 million or a decrease by Baht 22.04 million, equivalent to 2.91 percent decrease due to the Company's net loss of Baht 18.16 million for the three-month period ended 31 March 2017.

### **5.2.3. Risk factors which may affect the profit of the Company and its subsidiaries**

Risk in Electrical Transformer Manufacturing and Distribution Business

#### **5.2.3.1 Risks of Revenue Fluctuations and Dependence on Large Customers**

The Company has revenue from the sales of electricity transformers to state enterprise customers who produce and distribute electricity which are the Metropolitan Electricity Authority (MEA) and the Provincial Electricity Authority (PEA). The aforementioned customers amount to approximately 25 – 36 percent of overall sales revenue which is considered large contribution that may potentially affect the company's income if losing. Furthermore, revenue generated by the sales of electricity transformer to the aforementioned group of customers is primarily dependent upon the company's ability to win project auctions, economic conditions and budget of each agency. Therefore, if the Company loses auctions, or if auction dates are changed, or investment budgets for the purchase of electricity transformers decrease, the company's revenue and performance results will decrease. Thus, the Company is shifting its focus to expanding its customer base in the private sector and overseas. In 2016, the proportion of electricity transformer sales to overseas customers increased. Although the overall proportion of sales to public sector still maintained at 58.26 % of total sales revenue. Moreover, the Company has given consideration to increase product variety to meet the demands from all customer groups. At present, the Company is capable of producing electricity transformers with up to 30 MVA and maximum electrical system of 72 kV and developed the capacity to manufacture amorphous electricity transformers, which are no-load-loss transformers.

#### **5.2.3.2 Risks from Fluctuations in Raw Material Prices**

The main raw materials used in transformer production comprise silicon metal, coated round wires and copper foils. The prices of the aforementioned raw materials will fluctuate according to the prices in the world market, which depend on supply and demand in the global market. In the past, the prices of silicon and copper underwent great fluctuations. Therefore, if the costs of raw materials increase rapidly, there may have impacts on the Company's costs of sales and gross profit margins because the Company is unable to adjust product prices to keep up with the aforementioned increase in raw material costs, which will eventually have impact on the Company's business performance. However, because the Company has policies for setting product prices in line with costs plus gross profit, the Company is constantly checking the prices of raw materials, especially raw materials with highly fluctuating prices in order to be able to accurately estimate production costs and as close to real costs as possible that product prices can be set properly. Moreover, the fact that the Company's executives have over 30

years of experience in the industry and good relationships with raw material suppliers enables the Company to have accurate estimates for raw material price trends.

**5.2.3.3 Risks from Foreign Exchange Rates**

The Company imports raw materials from and exports products to foreign countries. In 2016, the Company had revenue from the sales in foreign currency equal to Baht 109.79 million, which was 21.40 % of all sales revenue. At the same time, the Company has also ordered the purchases of raw materials from foreign countries equal to Baht 155.38 million, which must be paid in foreign currencies, thereby enabling the Company to partially reduce risks from exchange rate fluctuations with natural hedges. However, the Company realizes the importance of preventing the aforementioned risks. The Company's Finance & Accounting Department will closely monitor the news and movements of exchange rates and the Company will consider preventing risks by using forward contracts according to situations and necessity. Moreover, in the sales of transformers to foreign customers, the Sales Department will calculate transformer prices by using mark-ups for foreign exchange rates to cover the costs of risks and fluctuations, which will help minimize risks from fluctuations of exchange rates to a certain degree.

**5.2.4. List of the Board of Directors, Management and List of the Top 10 Shareholders as at the Date of Close of Share Register Book**

List of the Company's board of directors as at 5 July 2017

No.	Name	Position
1	Mr. Krirk-Krai Jirapaet	Chairman and Independent Director
2	Mr. Nattapol Lilawattananan	Independent Director and Chairman of the Audit Committee Director
3	Mr. Polrachot Piyathanom	Independent Director and Audit Director
4	Mrs. Wasara Chotithammarat	Independent Director and Audit Director
5	Dr. Kamol Takabut	Independent Director
6	Mr. Poonphiphat Tantanasin	Director
7	Mr. Ruangchai Kritsnakriengkrai	Director

List of the Company's Management as at 5 July 2017

No.	First-Last Name	Position
1	Mr. Poonphiphat Tantanasin	Chief Executive Officer
2	Mr. Ruangchai Krissanakriangkrai	Managing Director
3	Miss Boonpa Ruddist	Deputy Managing Director(General Management)
4	Miss Chotika Chumpoon	Deputy Managing Director (Finance & Accounting )
5	Mr. Charoensak Sarawong	Deputy Managing Director (Factory )
6	Mr. Chanvut Meeploi	Senior Manager, Engineering Department
7	Mr. Wichai Promsirisuk	Manager, Supply Chain and Logistics Department
8	Miss Suanya Phummanulap	Manager, Domestic Sales Department

No.	First-Last Name	Position
9	Miss Sureeporn Mitdhammana	Manager, Sustainable Development Department
10	Mr. Nipat Chingchamikorn	Manager, Special Project Sale Customer and Service Department
11	Miss Sasikarn Tantanasin	Manager, Business Development Department

List of the Top 10 Shareholders as at 5 July 2017

No.	Shareholder	Number of Shares (Shares)	Shareholder Percentage (%)
1.	Mr Sathit limpongpan	73,000,000	27.04
2.	Mr.Chanthanome Phommany	42,500,000	15.74
3.	Mr.Thatnakhone Thammavong	42,500,000	15.74
4.	Miss Sasikarn Tantanasin	22,000,000	8.15
5.	Mr. Wichan Vachirapong	18,015,400	6.67
6.	UOB KAY HIAN PRIVATE LIMITED	12,000,000	4.44
7.	Thai NVDR Co., Ltd.	11,613,900	4.30
8.	Mr.Navapon Suanjaiyai	6,250,000	2.31
9.	Miss. Wannee Boonyasiriwat	2,522,000	0.93
10.	Mr. Sayam Suwatnagkool	2,000,000	0.74
	<b>Total</b>	<b>232,401,300</b>	<b>86.06</b>

#### 5.2.5. Other Information That May Materially Affect the Decision of Investors (If Any)

None

#### 6. Opinion of the Board of Directors in Relation to the Sufficiency of Working Capital

In procuring sources of fund for acquisition of ordinary shares of L Solar 1, the Company intends to use credit facilities from financial institutions and/or bill of exchange as the main sources of fund. However, if the Company is unable to sufficiently procure sources of fund from the aforementioned sources, the Company may consider procuring additional fund from other sources including internal source of fund, where the Company will consider appropriateness in terms of time period of capital requirement, relevant conditions, cost of capital, and impact on financial position and operating result, as well as the adequacy of the Company's operating working capital.

According to consolidated financial statement as of 31 March 2017, the Company had current assets of Baht 713.26 million and current liabilities of Baht 401.02 million, equivalent to net working capital of Baht 312.24 million. Moreover, the Company had short-term credit facilities from financial institutions of Baht 923.22 million, which is only available for working capital. Therefore, the board of directors had an opinion that the Company's working capital is sufficient to meet such requirement.

#### 7. Pending Material Lawsuits or Claims

None

**8. Interests or Connected Transactions Between the Listed Company and Directors, Management and Shareholders Directly or Indirectly Holding Shares Amounting to 10 Percent to More**

None

**9. Summaries of Material Contracts During the Past 2 Years**

During the past two years, the Company or its subsidiaries has entered into material contracts as follows

(1) Agreement to Purchaser 15 percent of Total Shares in Green Earth Power (Thailand) Co., Ltd.

Date: 31 March 2017

Parties: 1. QTC Global Power (which is a subsidiary of the Company) as the purchaser  
2. Noble Planet Pte. Ltd. as the seller  
3. Planet Energy Holdings Pte. Ltd. as the seller

Details: QTC Global Power (which is a wholly owned subsidiary of the Company) has purchased 15 percent of shares in Green Earth Power (Thailand) Co., Ltd. to order to invest in the solar power plant project in Minbu City of the Republic of the Union of Myanmar with the installed capacity of 220 MW (and contracted capacity of 170 MW)

(2) Shareholders Agreement in relation to Green Earth Power (Thailand) Co., Ltd.

Date: 15 June 2017

Parties: 1. QTC Global Power (which is a subsidiary of the Company)  
2. Noble Planet Pte. Ltd.  
3. Planet Energy Holdings Pte. Ltd.  
4. Vintage Engineering Public Company Limited  
5. East Coast Furnitech Public Company Limited

Details: QTC Global Power (which is a wholly owned subsidiary of the Company) as the shareholder owning 15 percent of shares in Green Earth Power (Thailand) Co., Ltd. has agreed with the terms with other shareholders in relation to management and operation of Green Earth Power (Thailand) Co., Ltd.

**10. Proxy Form with At Least One Name of a Member of the Audit Committee Being Nominated as Shareholder's Proxy.**

Please refer to the enclosure No.7 – 8 of the invitation to attend Extraordinary General Meeting of Shareholders No. 2/2017

Attachment for Agenda 2

Summary of Share Purchase Agreement of L Solar 1 Co., Ltd.

Contract Parties : Agreement 1

1. Purchaser : QTC Global Power Company Limited ("QTCGP" or "Purchaser")
2. Sellers :
  - 2.1 Loxley Public Company Limited ("LOXLEY")
  - 2.2 Leonics Company Limited ("LEONICS")

Agreement 2

1. Purchaser : QTCGP
2. Seller : Pacific Tone Investment Limited (a party designated by Col. Prasert Shusang)

Sale and Purchase of the Sale  
Shares

- : – The Sellers shall sell and transfer the Sellers Shares, and the Purchaser shall purchase the Sellers' Shares from the Sellers on the Completion Date.
- By executing this Agreement, each Seller hereby gives consent to other Sellers' sale of their Shares in accordance with Article 13(a) of the Articles of Association of L Solar 1 Company Limited ("L Solar 1")
- The Sellers agree that
- 1) the Sellers Share shall be sold, on the Completion Date, free and clear from any Encumbrance except as provided under this Agreement, and
  - 2) the Sellers Shares shall have the benefit of all rights including the right to receive dividends made or paid on or after the Completion Date; on the terms and subject to the conditions set out in this Agreement.

Purchase Price : Total purchase price of Baht 538.01 million, comprising of the cash sum of Baht 287.09 million and 20,910,475 newly issued ordinary shares of QTC Energy Public Company Limited ("QTC" or the "Company") of which the value and subscription amount is Baht 250.93 million, being at Baht 12 per share.

Payment : Deposit Payment (within 14 days from the date of this Agreement)

QTCGP shall pay money deposit to the Sellers in the sum of Baht 15,000,000 within 14 days from the date of this Agreement of L Solar 1 according to each Seller shareholding proportion.

The Company's Ordinary Share Payment (after Conditions Precedent are satisfied (the "Completion Date"))

- QTCGP shall make cash payment for the ordinary shares of L Solar 1 of Baht 204,236,424 and Baht 46,689,276 to LOXLEY and LEONICS, respectively.
- LOXLEY and LEONICS shall use the cash received for the ordinary shares of L Solar 1 to pay for 17,019,702 and 3,890,773 newly issued ordinary shares of the Company, respectively, at Baht 12 per share.
- The rest payment for the ordinary shares of L Solar 1 will be made by QTCGP by issuing the promissory notes with no interest to LOXLEY, LEONICS, and Pacific Tone Investment Limited of Baht 165,740,425, Baht 37,889,281 and Baht 68,456,604 respectively.
- On the Completion Date, QTCGP shall enter into Share Pledge Agreement with LOXLEY, LEONICS, and Pacific Tone Investment Limited to pledge 846,879 shares, 193,600 shares and 339,042 shares, respectively, against the payment of the promissory notes.

Cash Payment (within 15 December 2017)

- When the promissory notes are due on 15 December (Cash Price Payment Due Date), QTCGP shall pay the Sellers remaining purchase price under the promissory notes issued to each of the Sellers. And the Sellers shall discharge the pledge of L Solar 1's shares under the Share Pledge Agreement.

Refund of Deposit : The Sellers shall refund the deposit to the Purchaser with the following conditions

- The Agreement is terminated prior to Completion Date by mutual agreement of contract parties and by the Purchaser if the Sellers breach the representation and warranties, covenant, or

covenants or obligations set forth in this Agreement or the Sellers in the events that such other Party files a petition for bankruptcy or is otherwise adjudicated bankrupt, a petition for bankruptcy is filed against such other Party, and/or such other Party becomes insolvent, discontinues its business or voluntarily submits to, or is ordered by any court to undergo, liquidation pursuant to any applicable bankruptcy laws.

- The Sellers do not obtain the related approval to enter into the transaction
- QTC do not obtain the related approval from the Securities Exchange Commission of Thailand to enter into the transaction

Obligations of the Sellers

Conditions Precedent

:

- Each of the Sellers shall obtain all necessary consents required in connection with the execution of L Solar 1's Share Purchase Agreement.

Obligations of the Purchaser

- The Purchaser shall obtain all necessary consents required in connection with the execution of L Solar 1's Share Purchase Agreement.
- The Company shall appoint 1 person who is nominated by LOXLEY as member of the board of directors of the Company, effective on the Completion Date.
- The Company has filed and registered the increase of the Company's authorized capital at the Company Registration Office, Ministry of Commerce to issue and offer the Company's ordinary shares to LOXLEY and LEONICS in an amount and conditions specified in the Agreement.

Obligation of the Purchaser and the Sellers

- L Solar 1 and LOXLEY shall enter into a Transitional Service Agreement in accordance with terms mutually agree between the QTCGP and LOXLEY

Representation, warranty, and

:

Covenants

The Sellers

Each of the Sellers represents, warrants, agrees and covenants that, from the date of signing of this Agreement until the Completion Date, L Solar 1 shall conduct its business in the ordinary course of business and shall not engage with any of the covenants, except in accordance

with the terms of this Agreement or contemplated under this Agreement. Each of the Sellers agrees that the representations, warranties, and covenants given in the Agreement shall extend from the Completion Date to Cash Price Payment Due Date provided that it shall not be liable for violation or breach of any of such representations, warranties, and covenants caused by the act or omission or fault of the Purchaser.


The Purchaser

The Purchaser represents, warrants, agrees and covenants that, from the date of signing of this Agreement throughout the period when promissory note for the Sellers are not paid in full on due date, the Purchaser shall cause the Company to conduct its business in the ordinary course of business and not engage with any of the covenants, except in accordance with the terms of this Agreement or otherwise contemplated under this Agreement.

- Termination :
1. Each Party shall have the right to terminate this Agreement upon written notice to the other Party if such other Party breaches any of its representations, warranties, covenants or obligations set forth in this Agreement, including breaches of its obligations to make payment when due.
  2. Each Party shall have the right to terminate this Agreement upon written notice to the other Party in the events that such other Party files a petition for bankruptcy or is otherwise adjudicated bankrupt, a petition for bankruptcy is filed against such other Party, and/or such other Party becomes insolvent, discontinues its business or voluntarily submits to, or is ordered by any court to undergo, liquidation pursuant to any applicable bankruptcy laws.
  3. The Contract Parties may terminate this Agreement at any time for any reason by mutual written consent.
  4. This Agreement shall automatically terminate in the event that the Company is unable to issue and offer for sale shares of the Company to LOXLEY and LEONICS within the time specified in this Agreement.

## Attachment to Agenda 5

## Details of director to be appointed

Name	Mr. Suroj Lamsam			
Age	50 years			
Nationality	Thai			
Education/Training	<ul style="list-style-type: none"><li>- MM. Sasin Graduate Institute of Business Administration, Chulalongkorn University</li><li>- M.A., Communications, New York University</li><li>- B.A., Marketing and Consumer Studies, Syracuse University, Syracuse, New York</li><li>- Graduate Diploma in Management of Public Economy, King Prajadhipok's Institute</li></ul>			
Training in Roles and Responsibilities of Director	Director Accreditation Program 40/2005, Thai Institute of Directors Association			
Directorship/Executive Position	Details of directorship/executive position are as follows			
1) Listed Companies (1)	2017 – present	President	Loxley Plc. (Technology and Trading business)	
2) Other Companies/ Business (16)	2017 – present	Chairman	Loxbit Plc. (Trading of telecommunication equipment and programs)	
	2016 – present	Director	Loxley Trading Co., Ltd. (Sale consumer products)	
	November 2016 – present	Director	Loxley Global Co., Ltd. (Holding company)	
	2012 – present	President	L Food Solutions Co., Ltd. (Food service)	
	2011 – present	Director	Loxley Mobile Co., Ltd. (Sale and service of various prepaid electronics cash card)	

2008 – present	President Loxley Property Development Co., Ltd. (Renting of building, advertising board and providing services)
2008 – present	President Data Mining Co., Ltd. (Service of information technology equipment and computer systems)
2000 – present	President Thai Gateway Co., Ltd. (Trading of Telecommunication equipment)
2016 – present	Director Loxley GTECH Technology Co., Ltd. (Sale and service of information technology and online lottery system)
2005 – present	Director Ekpavee Co., Ltd. (Holding Company)
1999 – present	Director Thanakorn Vegetable Oil Co., Ltd. (Manufacture and sale of vegetable oil)
1999 – present	Director Navakij Co., Ltd. (Holding Company)
1999 – present	Director Lamsam Estate Co., Ltd. (Holding Company)
1997 – present	Director L Business Process Outsourcing Co., Ltd. (Sale of printing ink and printing services)

	Present	Director Phatra Samphant Co., Ltd. (Holding Company)
	Present	Director Point Asia Land Development Co., Ltd (Geological service)
Working Experience for the Past 5 Years and/or Important Position	2011 – 2016	Senior Executive Vice President Loxley Plc. (Technology and Trading business)
	1999 – 2016	Director Loxley Orbit Plc. (Telecommunication and computerized database service)
	2011 – 2014	Director National Innovation Agency (Public organization)
Position in other company that may create conflict of interest with the Company	- None -	
Expertise	Management	
Type of director to be appointed	Director	
Shareholding in the Company	- None -	
Direct and Indirect Stake in Business that the Company or Subsidiaries are Contract Parties	- None -	
Criteria for Director Selection	The board of director has considered opinion of the [] and is of the opinion that Mr. Suroj Lamsam is qualified to be director as stipulated in the related law, article of association of the Company, and charter of the board of director	

(Person who is nominated does not assume directorship or executive position in other businesses that may create conflict of interest with the Company)

No. QTC. CS 30/2017

20 June 2017

Subject: Information Memorandum on the Issuance and Offering of the Newly Issued Shares through Private Placement and for reserve for adjustments of warrants to purchase ordinary shares in the Company No.1 ("QTC-W1") (Revised No.3)

To: President  
The Stock Exchange of Thailand

The Board of Directors' Meeting of QTC Energy Public Company Limited (the "Company") No.8/2017, held on 19 June 2017, has passed the resolution to approve the issuance and offering of 20,910,475 ordinary shares, at the offering price of Baht 12.00 per share through private placement ("Private Placement" or "PP") and for reserve for adjustments of warrants to purchase ordinary shares in the Company No. 1 ("QTC-W1"), and will propose this matter to the Extraordinary General Meeting of Shareholders No.2/2017 on 29 August 2017 to consider and approve.

The information on the issuance and offering of the ordinary shares through private placement for the adjustments of QTC-W1, which is essential for the decisions making of the shareholders are as follows:

#### 1. Details of the Offering

- The Offering Shares (the "Offering Shares" or "PP Shares") : - 20,910,475 newly issued ordinary shares, at a par value of Baht 1 per share, representing 5.82 percent of paid-up shares after the capital increase to Private Placement investor and for the adjustments of QTC-W1 of 830,250 shares, a par value of Baht 1 per share, representing 0.23 percent of total voting rights of the Company after the capital increase for Private Placement and exercise of warrants QTC-W1 with right adjustment.
- The issuance and offering shares through Private Placement is a part of the payment for the acquisition of shares of L Solar 1 Company Limited ("L Solar 1") from the existing shareholders by QTC Global Power Company Limited ("QTCGP"), which is a subsidiary that the Company holds 99.99 percent of paid-up capital, under the terms and conditions agreed in share purchase agreement of shares of L Solar 1 ("Share Purchase Agreement").
- Type of the investors : Group of investors who are juristic persons and who are not considered institutional investors, subsidiaries, nor the connected persons of the Company

- The offering and allotment : Details of the offering and allotment of new shares through Private Placement to existing shareholder of L Solar 1, namely Loxley Public Company Limited (“Loxley”) and Leonics Company Limited (“Leonics”), in terms of amount of share, price, and related terms that will be determined subsequently, comes from negotiation between counterparties and other related parties, and the Company shall offer for sale the ordinary share through Private Placement with the details under Clause 2 only when Conditions Precedent are satisfied, the shareholders’ meeting grants approval, and the the Securities and Exchange Commission (the “SEC”) grants approval on the offering of newly issued ordinary shares to through Private Placement.
- Price determination and market price : - The price determination is made by using fixed price approved by the shareholders which is required to receive approval from the SEC, as specified by the Notification of the Capital Market Supervisory Board TorJor. 72/2558 Re: the Approval for the Private Placement of Listed Companies.
- The offering price of Baht 12.00 is 11.68 percent discount from the market price which is calculated from the volume weighted average trading price of the Company’s ordinary shares on the last 7 consecutive business days prior to the date when the Board of Director’s Meeting has approved to propose to the Shareholders’ Meeting for consideration and approval on the newly issued shares. In this regard, the market price of the ordinary shares is at Baht 13.59. The determination of the discount from the market price was made based on the negotiation, and the Board of Directors has taken into account the best interests of the Company, considers that the discount from the market price is appropriate.

## 2. Information and Details of the PP Investor

The individual persons who will be allocated the newly issued shares of the Company are Loxley and Leonics, existing shareholders of L Solar 1, which the Company will acquire ordinary shares to invest in electricity generation and distribution business from solar power plant with contracted capacity of 8 megawatt located in Amphoe Kabinburi, Prachinburi Province. After the Extraordinary General Meeting of Shareholders No. 2/2017 held on 29 August 2017 has passed the resolution approving the transaction, and Conditions

Precedent under Share Purchase Agreement are satisfied, Loxley and Leonics will be allotted 17,019,702 shares and 3,890,773 shares, respectively.

Details of the specific Investors can be summarized as follows:

## 2.1 Loxley Public Company Limited

- Company name : Loxley Public Company Limited
- Corporate Registration : 0107536000218
- Type of business : Public Company Limited
- Business Overview : Business Types: main businesses are divided into 4 sectors as follows:
- 1) Technology Business: being the service provider of entire products/services ranges, including survey, design, installation, network setup, system development as customers' requirements, maintenance, consultancy service in IT and telecommunication, infrastructure system projects, energy system projects, TV and radio communication system projects, electrical system projects, and specific projects involving high technology products
  - 2) Trading Business: being distributor of consumer products and industrial chemical products with an expansion to overseas country
  - 3) Services Business: being provider of total security solution services and management of airports as well as other related services
  - 4) Joint Venture Business: being joint venture with internationally experienced and recognized business partners
- Address : 102 Na Ranong Road, Klong Toey, Bangkok 10110
- Relationship to the Company : Not a connected person of the Company and has no other relationship with the Company
- Major shareholders : Lists of major shareholders as of the latest book closing date on 23 March 2017 are as follows:

Number	Shareholder	Number of Share (shares)	Percentage (percent)
1.	<b>Lamsam Group</b>		
	1.1 Ekpavee Co., Ltd.	584,158,113	25.79
	1.2 Mr. Pairote Lamsam	37,368,481	1.65

Number	Shareholder	Number of Share (shares)	Percentage (percent)
1.3	Mr. Thongchai Lamsam	26,732,044	1.18
1.4	Mr. Banyong Lamsam and Mrs. Nartrudee Weeramaeteekul	20,200,000	0.89
1.5	Mrs. Duangruthai Poomchusri	12,793,200	0.57
1.6	M.R. Sam-aungvarn Lamsam	11,816,931	0.52
1.7	Mr. Chalermchoke Lamsam	9,876,688	0.44
	<b>Total shares held by Lamsam group</b>	<b>702,945,457</b>	<b>31.04</b>
2.	Mr. Kiatchai Limpichotpong	113,187,955	5.00
3.	Thai NDVR Co., Ltd. <sup>1</sup>	106,955,306	4.72
4.	Mrs. Charuvarn Vanasin	62,088,700	2.74
5.	ML Prasopchai Kasemsant	21,420,000	0.95
6.	Mrs. Benjawan Kumpanartsanyakorn	17,178,020	0.76
7.	XL INVESTMENTS LTD.	14,024,997	0.62
8.	Mr. Chaiporn Achakul	13,400,000	0.59
9.	Mr. Somchai Kamolratanapiboon	12,000,000	0.53
10.	EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT	11,387,335	0.50

Source: Loxley

Board of Directors : Members of Loxley's Board of Directors are as follows:

No.	Name	Position
1.	Mr. Pairote Lamsam	Chairman
2.	Mr. Dhongchai Lamsam	Chairman of the Executive Board/ Director
3.	Mr. Sukit Wanglee	Vice Chairman of the Board
4.	Mr. Suroj Lamsam	President / Director
5.	Mr. Chalermchoke Lamsam	Managing Director / Director
6.	Mr. Poomchai Lamsam	Director
7.	Mr. Vasant Chatikavanij	Director
8.	Mr. Suebtrakul Soonthornthum	Director
9.	Mr. Suraphand Bhasitnirandr	Director
10.	Mr. Sompop Chareonkul	Director
11.	Mr. Jingjai Hanchanlash	Director

No.	Name	Position
12.	General Vichit Yathip	Independent Director
13.	Mr. Harit Sutabutr	Independent Director / Chairman of the Audit Committee
14.	Mr. Supavud Saicheua	Independent Director
15.	Mr. Rawat Chamchalerm	Independent Director
16.	Mr. Charoon Chinalai	Independent Director
17.	Mr. Joti Bhokavanij	Independent Director

Source: The Stock Exchange of Thailand

## 2.2 Leonics Company Limited

Company name : Leonics Company Limited

Corporate Registration : 0105536121781

Type of business : Company Limited

Business Overview : Research, develop and manufacture electronic power equipment, including energy conservation equipment with world-class quality to compete in both domestically and internationally

Characteristics

Address : 113 Moo 5 Bangna-Trad Road, Bangsamuck, Bangpakong, Chachoengsao 24130

Relationship to the Company : Not a connected person of the Company and has no other relationship with the Company

Major shareholders : Leonics' major shareholders are as follows:

No.	Shareholder	No. of share (share)	Percentage share (percent)
1.	Mrs. Pranee Kriangprathana	499,997	99.9994
2.	Mr. Samrerng Kriangprathana	1	0.0002
3.	Mr. Surapon Sangthongsuk	1	0.0002
4.	Mrs. Suree Ono	1	0.0002
<b>Total</b>		<b>500,000</b>	<b>100.00</b>

Source: Ministry of Commerce

Board of Directors : Members of Leonics's Board of Directors are as follows:

No.	Name	Position
1.	Mr. Samrerng Kriangprathana	Director
2.	Mrs. Pranee Kriangprathana	Director
3.	Mr. Decho Aphinyalawan	Director
4.	Mr. Surapon Sangthongsuk	Director
5.	Mr. Wuthipong Suponthana	Director
6.	Mr. Weerapan Pornthabthong	Director
7.	Mr. Arunkij Sorsukpaiboon	Director
8.	Miss Surang Kriangprathana	Director
9.	Mrs. Suree Ono	Director

Source: Ministry of Commerce

Certification from the Board of Directors regarding the Consideration and Investigation of PP Investors' Information

The Board of Directors certifies that from the consideration and examination of information of Loxley and Leonics, the Board of Directors has proceeded with discretion and considers that the investors are qualified for investing in the newly issued ordinary shares of the Company.

**3. Relationship with the PP Investors**

The Company and/or its subsidiaries have no relationship with the PP Investors.

**4. Objectives of the Capital Increase and Plan for Utilizing Proceeds**

To be used as part of the compensation for the acquisition of ordinary shares of L Solar 1. The Company will use the proceeds from the issuance of new ordinary shares through Private Placement for the acquisition of L Solar 1 solar power plant. From current operation and performance evaluation, the Company expects to use the capital to invest in the solar power plant project of approximately Baht 538.01 million, divided into a payment of Baht 287.09 million in cash and Baht 250.93 million in newly issued ordinary share from Private Placement. *Since the investment is capital- intensive, partial payment by issuance and offering of the ordinary shares of the Company to Loxley and Leonics will reduce the Company's funding requirements. In addition, the Company will have strategic partners for the future investment opportunities.*

The issuance of ordinary shares as reserve for adjustment of QTC-W1 is a result from the adjustment of QTC-W1 which, in turn, was a result of the offering of ordinary shares through private placement. The objectives and the utilizations of the capital increase are as follow:

- 1) As reserve for adjustment of QTC-W1
- 2) As sources of fund for the Company's future projects and investments
- 3) As working capital of the Company

Information of the project can be summarized as follows:

- (1) **Project type** : Solar power plant with 8 megawatt contracted capacity in Kabinburi, Prachinburi
- (2) **Expected budget in primary stage** : Baht 538.01 million, based on the negotiation between buyer and seller.
- (3) **Expected total budget for the project to generate revenue for the Company** :
  - Solar power plant with 8 megawatt contracted capacity which has operated for 5 years. The Company plans to invest in such project with the budget of Baht 538.01 million to acquire all ordinary shares of L Solar 1.
  - For the source of fund, QTCGP will use sources of fund that is supported by the Company who is the shareholder with a shareholding 99.99 percent of paid-up capital of QTCGP. The Company will procure capital to support QTCGP.
    - 1) Loan from Financial Institution and/or from Issuance of Bill of Exchange  
 The Company will procure sources of fund from credit facilities from financial institutions and/or the issuance of bill of exchange with the total face value of not exceeding Baht 620,000,000 for private placement to less than 10 investors, which includes investors investing in this bill of exchange and those investing in outstanding bill of exchange maturing in 4 months. At present, the Company is in the process of negotiation with the financial institutions, and also in the process of contacting prospected investors for the bill of exchange of the Company.  
 For the possibility to procure financing from credit facilities from financial institutions and/or the issuance of bill of exchange for the capital amounting to baht 250.93 million to be used on Completion Date, because this capital will be used and repaid in a short period of time, there is high possibility that the Company will be able to sufficiently procure such amount of credit facilities from financial institutions and/or from the issuance of bill of exchange. As for the capital amount of Baht 287.09 million to be used to repay promissory notes in December 2017, it is expected that the Company will be able to procure loan from financial institutions with sufficient collateral. Such collateral includes

ordinary shares of L Solar 1 to be acquired by the Company. For the bill of exchange, the Company expects to receive attention from the investors and be able to received sufficient proceeds from bill of exchange.

2) Other sources of fund

If the Company is unable to sufficiently procure sources of fund from credit facilities from financial institutions and/or the issuance of bill of exchange in 1), the Company may consider additionally procuring fund from the following sources of fund by considering the appropriateness timing of use, conditions, costs of financing, and impacts to financial position, performance, and sufficiency of working capital of the Company.

- (1) Proceed from the exercise of QTC-W1  
QTC-W1 had an exercise price of Baht 10 per share, and after the rights adjustment to QTC-W1, the exercise price is Baht 9.88 per share, which is lower than the weighted average price of the ordinary shares of the Company 7 days prior to the date that the board of directors resolves to propose the agenda to shareholders meeting to approve the offer for sale of newly capital increase by issuance of new shares (market price) of Baht 13.59 per share. Therefore, it is possible that the holders of QTC-W1 will exercise their right to purchase ordinary shares of the Company on the Exercise date in September 2017. If all holders of QTC-W1 exercise the right to purchase ordinary shares of the Company, the Company will receive total proceed of approximately Baht 675.10 million. However, it is possible that only some of QTC-W1 holders will exercise their rights. In addition, in 2017, the Company will have another capital requirement, including the payment for GEPT. Therefore, proceeds from the exercise of QTC-W1 can be used to

finance part of fund required for the acquisitions of ordinary shares of L Solar 1.

(2) Loan from external party

The procurement of loan from external party who is not a financial institution, including high net worth investors requires negotiation on the terms and conditions of loan agreement, which may include collateral requirement. At present, the procurement from this source of fund is uncertain and dependence on the result of negotiation.

(3) Internal source of fund

When considering capital requirement and internal source of fund, in 2017, the Company will need cash for investment at approximately Baht 765.69 million, which includes the Baht 538.01 million amounts to be used in the Transaction with detail as follows:

Investment	Expected cash requirement period	Amount (THB Million)
First payment for ordinary shares of Green Earth Power (Thailand) Limited (“GEPT”) (US Dollar 1.5 million)	April 2017	52.08
Second payment for ordinary shares of GEPT (US Dollar 2 million)	June 2017	67.84
Deposit for L Solar 1 shares payment	August 2017	15.00
Repayment of existing promissory note	August 2017	40.00
Payment for capital increase in GEPT	August 2017	4.51
First payment for ordinary share of L Solar 1*	September 2017	250.93
Repayment of promissory note as a payment for remaining purchase price for ordinary shares of L Solar 1	December 2017	272.09

Investment	Expected cash requirement period	Amount (THB Million)
Final payment for ordinary shares of GEPT (US Dollar 1.879 million at the exchange rate of Baht 33.6586 for US Dollar 1 - Source: The Bank of Thailand dated 26 July 2017)	December 2017	63.24
<b>Total</b>		<b>765.69</b>

Remark: \*When the Seller receives the payment, the Seller will use such cash to pay for PP shares immediately.

For the Company's internal sources of fund, as of 31 March 2017, the Company has cash and cash equivalents and short-term investment of Baht 204.93 million, of which, can be used to pay for some part of the investment requirement only.

From the entire aforementioned financing plan, the Board of Directors believes that the Company and QTCGP will be able to procure sufficient sources of fund.

- (4) **Status and Progress of the Project** :
- The project has operated since 2 December 2011 to generate electricity under power purchase agreement with the Provincial Electricity Authority ("the PEA") under electricity purchase scheme from very small power producer.
  - The power purchase agreement is valid for 5 years and is automatically renewable for another 5 years, and will be effective until the agreement is terminated.
    - The Company submits written notice to PEA showing the intention to terminate the power purchase by termination of agreement
    - If any counterparty does not follow any of terms and conditions of the agreement, the other counterparty shall give notice to amend. If such counterparty does not amend, the other counterparty has the right to terminate the agreement
  - The project received Adder for electricity generated by renewable energy suppliers at the rate of Baht 8.00 per kilowatt-hour for a period of 10 years starting from commercial operation date.

- (5) **Risk from the project operation** : - Risk from less-than-normal solar radiation and climate

change

Because the solar power plant heavily relies on solar radiation to generate electricity, the solar radiation that is less than normal or the incident of climate change will result in L Solar 1's solar power plant being unable to generate an expected amount of electricity, which will affect revenue of L Solar 1 and the expected return to QTCGP and the Company. Thus, L Solar 1 has the risk from less-than-normal solar radiation and climate change.

Solution: Such risk depends on natural condition and is out of control; however, the Company has taken into consideration this risk when determining purchase price. When considering the historical operating result of L Solar 1 since its commercial operation date, L Solar 1 has stable operating profit.

- Risk from faster-than-expected degradation of photovoltaic module

Photovoltaic module is one of the major equipment in the power generation of solar power plant. Faster-than-usual degradation of photovoltaic module may have negative impact on power generation such that the amount of electricity generated will be lower, which also negatively affects the performance of L Solar 1 and return to QTCGP and the Company.

Solution: If L Solar 1's solar power plant generates less electricity than the amount stated in Energy Output Warranty, the photovoltaic module's manufacturer will replace the defective photovoltaic module, or compensate for the damages under the conditions specified in the warranty for L Solar 1 at an amount calculated from method stated in the warranty. DuPont (Shenzhen) Manufacturing Limited ("DuPont"), the manufacturer of L Solar 1's photovoltaic module, will compensate for the damage to L Solar 1 by repairing or replacing photovoltaic modules that generates electricity less than that specified in the warranty. However, L Solar 1 has been compensated by cash as DuPont has discontinued its photovoltaic module manufacturing business since 2014.

- Risk that solar panel's warranty period is less than the

#### Project life

L Solar 1's solar panels are currently under energy output warranty from DuPont. However, such warranty covers 25 years after the photovoltaic module is shipped. The warranty period is **expected to expire in 2035 – 2036**, which is during the power purchase agreement period between L Solar 1 and the PEA ("Power Purchase Agreement"), since the Power Purchase Agreement is renewed. As a result, L Solar 1 may incur additional expenses in replacing photovoltaic module.

Solution: Such risk has been taken into consideration when negotiating purchase price.

#### - Risk related to efficiency and stability of electricity generation process

There are numerous factors that affect efficiency and stability of L Solar1's electricity generation process, e.g. less-than-expected efficiency and life of main equipment in generating electricity, losses incurred during electricity generation process, lower electricity generating efficiency of photovoltaic module due to over-temperature, and a temporary shutdown of power plant caused by both internal factors, such as technical problems in electricity generation process, and external factors, such as unstable transmission line system or maintenance shutdown, or the amount of electricity transmitted to the transmission system exceeds the demand, causing L Solar 1 to be unable to send electricity to the transmission system, etc.

Solution: L Solar 1 has managed the risks associated with the efficiency and stability of electricity generation process by (1) monitoring the performance of the power plant through Leonics' computer system to identify and resolve the problem as soon as possible in order to return the power plant to operate as usual, and (2) scheduling the maintenance of the power plant regularly to ensure efficient operation of the plant.

#### - Risk from switching to other photovoltaic module manufacturers

As DuPont's solar panel business has been discontinued since 2014, L Solar 1 is no longer able to purchase any additional photovoltaic module from DuPont. In the event that L Solar 1 is to purchase additional photovoltaic module from other manufacturers, equipment and other machines, e.g. inverter, may have to be adjusted, in order

to accommodate the specifications of the new photovoltaic module that are different from those of DuPont.

**Solution:** However, L Solar 1 has kept a number of photovoltaic modules as spare parts for replacement in case those damages arise to the functioning photovoltaic modules. It is expected that the number of spare photovoltaic modules is sufficient for the operation of L Solar 1. In case that the damages arise in the future, QTCGP will consider the reasonableness and value of additional investment at that time. In addition, the Company has taken into consideration this risk when determining purchase price.

- Risk relating to continuity of plant operation

Majority of L Solar 1 management team are Loxley employees, where L Solar 1 pays monthly service fees to Loxley. However, after the transaction, the management team may resign from their position in order to resume their duties at Loxley, which may negatively affect L Solar 1 operation, and expected return on investment to QTCGP and the Company.

**Solution:** QTCGP is in the process of negotiation with Loxley to continue receiving services from such employees to operate L Solar 1 on an ongoing basis, in order to have smooth transition of L Solar 1 operation after the transaction. However, if there is any unexpected event that could result in the management of L Solar 1 not being able to continue its management, QTCGP may consider employing an Operation and Maintenance Engineer (O&M) who is experienced in managing power plant.

**(6) Risk from entering into Share Purchase Agreement**

- Risk from making deposit

The Seller will return the deposit to the Buyer if the Share Purchase Agreement is terminated prior to Completion Date or if the Completion Date cannot occur due to the events specified in the Share Purchase Agreement including failure to obtain approval from the SEC on the matter of issuance and offering of shares to PP investors. (Please refer to Enclosure No.4 attached to

the Notice of the Extraordinary General Meeting of Shareholders No.2/2017). Therefore, if there is an event that is not considered mentioned cases, QTCGP has a risk to have no deposit refund.

Solution: Major action after Completion date is only the repayment of promissory note, which QTCGP will raise the capital as quickly as possible.

- Risk relating to financing

The value of cash payment portion of the consideration to be paid to the Seller for the ordinary shares of L Solar 1 is higher than cash balance of the Company, and QTCGP is still in the process of raising capital, which is not yet concluded.

Solution: QTCGP will raise the capital as quickly as possible. If QTCGP cannot raise the capital, QTCGP will not receive a refund on the deposit since this case is not considered cases stated in the condition related to refund of deposit, except for the case that Share Purchase Agreement is terminated prior to the Completion Date as mutually agreed by the counterparties.

- Risk that the Extraordinary General Meeting of Shareholders No.2/2017 resolves not to approve the purchase of L Solar 1's ordinary shares and related actions

Because the acquisition of L Solar 1's ordinary shares and related actions requires approval from the Extraordinary General Meeting of Shareholders No.2/2017, if the Extraordinary General Meeting of Shareholders No.2/2017 disapproves the Transaction, the Company will not receive a refund on deposit of Baht 15 million back from the Seller as such event does not qualify for the conditions of the refund of the deposit in Share Purchase Agreement.

**5. Effects on Shareholders from the Issuance and Offering of Ordinary Shares through Private Placement**

Effects on Shareholders	Calculation Method
1. Control Dilution	$= \frac{\text{PP Shares}}{\text{Total paid-up shares} + \text{PP Shares}}$ $= \frac{20,910,475}{270,000,000 + 20,910,475}$ $= \frac{20,910,475}{290,910,475}$ $= 7.19 \text{ percent}$
2. Price Dilution	$= \frac{\text{Pre-PP Market Price} - \text{Post-PP Market Price}}{\text{Pre-PP Market Price}}$

Effects on Shareholders	Calculation Method
	$= (13.59-13.47)/13.59$ $= 0.84 \text{ percent}$
3. Earnings Per Share Dilution	Not applicable due to negative earning per share

Remarks	1.	Post-PP Market price	=	$\frac{(\text{Market price} \times \text{total paid-up shares}) + (\text{PP Price} \times \text{PP Shares})}{(\text{Total paid-up shares} + \text{PP Shares})}$
			=	$\frac{(13.59 \times 270,000,000) + (12.00 \times 20,910,475)}{(270,000,000 + 20,910,475)}$
			=	13.47

From the abovementioned table, the effects on shareholders from the issuance and offering of ordinary shares through private placement on the control dilution is at 7.19 percent and on earning per share dilution is at 0.84 percent. However, though the shareholders will be affected from the entering into the Transaction, the equity internal rate of return (“EIRR”) calculated from total consideration for L Solar 1’s shares of Baht 538.01 million will be 4.63 percent. In the case that fair value range of Baht 498 – 667 million is used in the calculation, EIRR will be 1.58 – 5.87 percent.

The board of directors has been aware that the EIRR of 4.63 percent is lower than the expected return on investment, which, in this case, is the weighted average cost of capital (“WACC”) in the range of 6.14 – 6.88 percent. The board of directors has considered other benefits from entering into the Transaction, including opportunity to expand the business for steady growth, to increase stability of revenue as well as to alleviate risk of relying only on revenue from manufacturing and distribution of transformer. The Transaction is also in accordance with the strategies of the Company and/or its subsidiaries to invest in generation and distribution of electricity business and to increase the Company’s value. Moreover, as L Solar 1 solar power plant has been commercially operated since 2 December 2011, there are no risks from the construction and development of the solar power plant as compared to the power plants that have not been commercially operated.

The benefit that the Company will receive from the issuance and offering shares to PP investors, including Loxley and Leonics, is that the Company will gain strategic partners in the form of strategic shareholders. As the PP investors are the former shareholders in L Solar 1, who have knowledge and experience that will be beneficial to the operation of L Solar 1 as well as provide opportunity to expand the Company’s business in the future. The board of directors opined that some technology-related businesses of Loxley might contribute to the Company’s business. In addition, given the ability to manage large scale businesses with continuous track records, Loxley is considered having knowledge and experience that would benefit and contribute to the Company’s business. Furthermore, according to the Share Purchase Agreement, Loxley will have right to nominate one director, who probably is a knowledgeable and has appropriate ability to support the growth of the Company. As for Leonics, the board of directors opined that Leonics’ business is relevant and beneficial to the Company’s business, especially given the fact that L Solar 1’s solar power plant operates with inverters developed by Leonics.

On the other hand, the decision not to invest in L Solar 1 may result in the Company’s loss of opportunity to receive return on investment, development and expansion of power business, as well as opportunity to receive support from strategic partners, which cannot be accurately quantified.

## 6. Other Significant Conditions or Agreements with the PP Investors

-None-

## 7. Shareholding Structure

The Company's major shareholders, as of the latest book closing date on 5 July 2017, are as follows:

	Shareholders	No. of shares before PP	%		Shareholders	No. of shares after PP	%
1.	1.1 Mr.Chanthanome Phommany	42,500,000	15.74	1.	1.1 Mr.Chanthanome Phommany	42,500,000	15.74
	1.2 Mr.Thatnakhone Thammavong	42,500,000	15.74		1.2 Mr.Thatnakhone Thammavong	42,500,000	15.74
	1.3 Sathit Limpongpan	40,000,000	14.81		1.3 Sathit Limpongpan	40,000,000	14.81
	<b>Total shares held by the group of investors</b>	<b>125,000,000</b>	<b>46.30</b>		<b>Total shares held by the group of investors</b>	<b>126,500,000</b>	<b>46.85</b>
2.	<b>Mr. Poonphipat Tantanasin group</b>			2.	<b>Mr. Poonphipat Tantanasin group</b>		
	2.1 Miss Sasikarn Tantanasin	22,000,000	8.15		2.1 Miss Sasikarn Tantanasin	22,000,000	8.15
	2.2 Mr. Patcharapong Tantanasin	716,000	0.27		2.2 Mr. Patcharapong Tantanasin	716,000	0.27
	2.3 Mrs. Alisara Charoenvanich	602,600	0.22		2.3 Mrs. Alisara Charoenvanich	602,600	0.22
	2.4 Mr. Poonphiphat Tantanasin	598,600	0.22		2.4 Mr. Poonphiphat Tantanasin	598,600	0.22
	<b>Total shares held by Mr. Poonphipat Tantanasin group</b>	<b>23,917,200</b>	<b>8.86</b>		<b>Total shares held by Mr. Poonphipat Tantanasin group</b>	<b>23,917,200</b>	<b>8.86</b>
3.	UOB KAY HIAN PRIVATE LIMITED <sup>2</sup>	19,000,000	7.04	3.	UOB KAY HIAN PRIVATE LIMITED <sup>2</sup>	19,000,000	7.04
4.	Mr. Wichan Vachirapong	18,085,400	6.70	4.	Mr. Wichan Vachirapong	18,085,400	6.70
5.	Miss Katreeya Bever	16,000,000	5.93	5.	Loxley	17,019,702	6.30
6.	Thai NVDR Co., Ltd.	10,372,100	3.84	6.	Miss Katreeya Bever	16,000,000	5.93
7.	Mr. Navapon Suanjaiyen	6,250,000	2.31	7.	Thai NVDR Co., Ltd.	10,372,100	3.84
8.	Mr. Peeranat Tantipote	6,000,000	2.22	8.	Mr. Navapon Suanjaiyen	6,250,000	2.31
9.	Mr. Wichai Vachirapong	4,011,500	1.49	9.	Peeranat Tantipote	6,000,000	2.22
10.	Miss Wannee Boonyasirawat	2,532,000	0.94	10.	Mr. Wichai Vachirapong	4,011,500	1.49
	Loxley	0	0.00	11.	Leonics	3,890,773	1.44
	Leonics	0	0.00	12.	Miss Wannee Boonyasirawat	2,532,000	0.94
11.	<b>Others</b>	<b>38,831,800</b>	<b>14.38</b>	13.	<b>Others</b>	<b>37,331,800</b>	<b>13.83</b>
	<b>Total</b>	<b>270,000,000</b>	<b>100.00</b>		<b>Total</b>	<b>290,910,475</b>	<b>100.00</b>

### Note

- The number of shares after PP is prepared based on the assumption that other shareholders have not changed their shareholding since the latest closing date of share register book on 11 May 2017, and is adjusted by the number of the newly issued ordinary shares offered through private placement. Thus, the total number of shares after the offering of the newly issued shares will be the total of the 270,000,000 existing number of paid-up shares and the 20,910,475 newly issued shares offering by way of private placement, totaling 290,910,475 shares.

## 8. Directors and/or Shareholders who has Interests

-None-

## 9. Conditions Precedent

Share Purchase Agreement has Conditions Precedent that shall be satisfied by each party as follows:

### Obligations of the Sellers

- Each of the Sellers shall obtain all necessary consents required in connection with the execution of L Solar 1's Share Purchase Agreement.

#### Obligations of the Company

- The Company shall obtain the related approval from the Extraordinary General Meeting of Shareholders No.2/2017.
- The Company shall obtain the related approval from the Securities Exchange Commission of Thailand.
- The Company shall appoint 1 person who is nominated by Loxley as member of the board of directors of the Company, effective on the Completion Date.
- The Company has filed and registered the increase of the Company's authorized capital at the Company Registration Office, Ministry of Commerce to issue and offer the Company's ordinary shares to Loxley and Leonics in an amount and conditions specified in the Agreement.

#### Obligations to the Seller and QTCGP

- L Solar 1 and Loxley shall enter into Transitional Service Agreement with conditions agreed by QTCGP and Loxley.

### **10. The Board of Directors' Opinion**

#### **10.1 Reasons and necessity for the capital increase through private placement**

The Board of Directors has the opinion that an investment in solar power plant with 8 megawatt contracted capacity in Kabinburi, Prachinburi by QTCGP, which is a subsidiary that the Company holds 99.99 percent of paid-up capital, is reasonable and will benefit the Company. To complete such transaction, the Company is required to increase registered capital, including issuance and offering of new shares to Loxley and Leonics as a part of consideration to acquire ordinary shares of L Solar 1, in order to invest in electricity generation and distribution from solar power plant business.

#### **10.2 Relevance and experience of PP investors' business which is beneficial to the Company and its business**

Two PP investors, including Loxley and Leonics, are existing shareholders of L Solar 1 and have knowledge and experience that are beneficial to business operations of L Solar 1 as well as opportunity for further expansion. Information regarding business, knowledge, and experience of PP investors can be summarized as follows:

##### Loxley

Under the name of Loxley Rice Company (Bangkok) Ltd., Loxley has been operating for 77 years, and has been listed on the Stock Exchange of Thailand since 25 January 1994. Loxley has a total of 31 direct and indirect subsidiaries, 14 direct and indirect affiliates, and 6 direct and indirect joint ventures. (Source : 56-1) Loxley has 4 main businesses as follows:

- 1) Technology Business: being the service provider of entire products/services ranges, including survey, design, installation, network setup, system development as customers' requirements, maintenance, consultancy service in IT and telecommunication, infrastructure system projects, energy system projects, TV and radio communication system projects, electrical system projects, and specific projects involving high technology products
- 2) Trading Business: being distributor of consumer products and industrial chemical products with an expansion to overseas country
- 3) Services Business: being provider of total security solution services and management of airports as well as other related services
- 4) Joint Venture Business: being joint venture with internationally experienced and recognized business partners

The Board of Directors has the opinion that some of Loxley's technology business may be able to support business of the Company. Moreover, given ability and experience of Loxley in managing a large, long -standing business Loxley is considered to have knowledge and experience that contribute to the Company's business. According to Share Purchase Agreement, Loxley will have the right to nominate 1 director who is not the authorized signatory of the Company to represent Loxley. The Board of Directors views that Loxley's representative may have talent and knowledge that can contribute to the success of the Company.

#### Leonics

Leonics was established on 25 October 1993. Leonics' business is to research, develop and manufacture electronic power equipment, including energy conservation equipment with world-class quality to compete in both domestically and internationally

From aforementioned business characteristics, the Board of Directors has the opinion that business of Leonics is relevant, which will be beneficial to the Company's business due to the fact that inverters used in L Solar 1 solar power plant is Leonics' technology.

#### **10.3 The value of benefit from PP investors compared to an offering of newly issued shares at a discount to PP investors based on impact of expense and financial position resulting from PP offering in accordance with reporting standard of Share-Based Payment**

The fact that the Company issues and offers newly issued shares to Loxley and Leonics in exchange for the control of Loxley and Leonics in L Solar 1 is considered a business acquisition, which falls within the scope of Thai Financial Reporting Standard ("TFRS") on Business Combination, but not to the extent of Share-Based Payments. As a result, this PP offering will not result in any expense relating to Share-Based Payments.

#### **10.4 Feasibility of the plan for utilizing proceeds received from the offering**

QTCGP signed the Share Purchase Agreement on 25 July 2017. The Share Purchase Agreement shall specify conditions precedent, to which the counterparties is responsible to complete

as specified in the contract. (Please refer to Share Purchase Agreement in Enclosure No.4 attached to the Notice of the Extraordinary General Meeting of Shareholders No.2/2017).

**10.5 Reasonability of the capital increase, the plan for utilizing proceeds received from the offering and the project operation, and funding adequacy**

The Board of Directors has considered the purchase price, terms and conditions in Share Purchase Agreement, as well as benefit and relevant risks, and has the opinion that the acquisition of L Solar 1's ordinary shares is reasonable and will be beneficial to both the Company and its shareholders. By entering into the Transaction to acquire the ordinary shares of L Solar 1, QTCGP will have a total capital requirement of Baht 538.01 million, divided into Baht 250.93 million to be paid on the Completion Date and Baht 287.09 million to repay the promissory notes in December 2017. As such, QTCGP will use the source of fund that is supported by the Company, who holds 99.99 percent of the paid-up capital in QTCGP from various sources of fund as follows:

1) Loan from financial institutions and/or from issuance of Bill of Exchange

The Company will procure sources of fund from credit facilities from financial institutions and/or the issuance of bill of exchange with the total face value of not exceeding Baht 620,000,000 for private placement to less than 10 investors, which includes investors investing in this bill of exchange and those investing in outstanding bill of exchange maturing in 4 months. At present, the Company is in the process of negotiating with the financial institutions and also in the process of contacting prospected investors for the bill of exchange of the Company.

For the possibility to procure financing from credit facilities from financial institutions and/or the issuance of bill of exchange for the capital amounting to baht 250.93 million to be used on Completion Date, because this capital will be used and repaid in a short period of time, there is high possibility that the Company will be able to sufficiently procure such amount of capital via credit facilities from financial institutions and/or the issuance of bill of exchange. As for the capital amount of Baht 287.09 million to be used to repay promissory notes in December 2017, it is expected that the Company will be able to procure loan from financial institutions with sufficient collateral. Such collateral includes ordinary shares of L Solar 1 to be acquired by the Company. For the issuance of bill of exchange, the Company expects to receive attention from the investors and be able to received sufficient proceeds from bill of exchange.

2) Other sources of fund

If the Company is unable to sufficiently procure sources of fund from credit facilities from financial institutions and/or the issuance of bill of exchange in 1), the Company may consider additionally procuring fund from the following sources of fund by considering the appropriateness timing of use, conditions, costs of financing, and impacts to financial position, performance, and sufficiency of working capital of the Company.

(1) Proceed from the exercise of QTC-W1

QTC-W1 had an exercise price of Baht 10 per share, and after the rights adjustment to QTC-W1, the exercise price is Baht 9.88 per share, which is lower than the weighted average price of the ordinary shares of the Company 7 days prior to the date that the board of directors resolves to propose the agenda to the shareholders meeting to approve offer for sale of newly issued shares (the market price) of Baht 13.59 per share. Therefore, it is possible that the holders of QTC-W1 will exercise their right to purchase ordinary shares of the Company in September 2017. If all holders of QTC-W1 exercise the right to purchase ordinary shares of the Company, the Company will receive total proceed of approximately Baht 675.10 million.

However, it is possible that only some of QTC-W1 holders will exercise their rights. In addition, in 2017, the Company will have another capital requirement, including the payment for GEPT. Therefore, proceed from the exercise of QTC-W1 can be used to finance part of fund required for the acquisition of ordinary shares of L Solar 1.

(2) Loan from external party who is not a financial institution

The procurement of loan from external party who is not a financial institution, including high net worth investors requires negotiation on the terms and conditions of loan agreement, which may include collateral specification. As a result, the procurement from this source of fund is uncertain and dependence on the result of negotiation.

(3) Internal source of fund

When considering capital requirement and internal source of fund, in 2017, the Company will need cash for investment at approximately Baht 765.69 million, which includes the Baht 538.01 million amounts to be used in the Transaction with detail as follows:

Investment	Expected cash requirement period	Amount (THB Million)
First payment for ordinary shares of Green Earth Power (Thailand) Limited (“GEPT”) (US Dollar 1.5 million)	April 2017	52.08
Second payment for ordinary shares of GEPT (US Dollar 2 million)	June 2017	67.84
Deposit for L Solar 1 shares payment	August 2017	15.00
Repayment of existing promissory note	August 2017	40.00
Payment for capital increase in GEPT	August 2017	4.51
First payment for ordinary share of L Solar 1*	September 2017	250.93
Repayment of promissory note as a payment for remaining purchase price for ordinary shares of L Solar 1	December 2017	272.09

Investment	Expected cash requirement period	Amount (THB Million)
Final payment for ordinary shares of GEPT (US Dollar 1.879 million at the exchange rate of Baht 33.6586 for US Dollar 1 - Source: The Bank of Thailand dated 26 July 2017)	December 2017	63.24
<b>Total</b>		<b>765.69</b>

Remark: \*When the Seller receives the payment, the Seller will use such cash to pay for PP shares immediately.

For the Company's internal sources of fund, as of 31 March 2017, the Company has cash and cash equivalents and short-term investment of Baht 204.93 million, of which, only a portion can be used according to the investment requirement.

From the entire aforementioned financing plan, the Board of Directors believes that the Company and QTCGP will be able to procure sufficient sources of fund.

#### **10.6 Impact on the business operation, financial status and overall operation of the Company as a result of the capital increase and implementation of the proceeds utilization plan or the projects**

The impact of the Transaction on financial position of the Company, shareholders' equity will increase by Baht 250.93 million as a result of issuance and offering newly issued shares to PP investors, and the Company will consolidate L Solar 1's debt of Baht 235.86 million in consolidated financial statement of the Company as the acquisition of ordinary shares of L Solar 1 will make L Solar 1 to be subsidiary of the Company. Moreover, the company will have to raise capital from debt financing for repayment of promissory note as a payment for remaining purchase price of ordinary shares of L Solar 1, which will result in the Company's liability to increase by Baht 272.09 million.

In analyzing capital structure by considering Debt-to-Equity ratio, the Company currently has Debt-to-Equity ratio of 0.56 times, and after the Company raises additional debt for repayment of promissory note as a payment for the remaining purchase price of ordinary shares of L Solar 1, Debt-to-Equity ratio will increase to 0.93 times.

The acquisition of ordinary shares of L Solar 1 is considered a business combination in accordance with TFRS 3, which requires the Company to conduct a Purchase Price Allocation to recognize the Transaction into financial statement. After the Purchase Price Allocation is conducted, the Company may need to record goodwill, which may result in additional expense if there is an indication that the goodwill may be impaired.

From preliminary analysis, the impairment of goodwill will compare 1) purchase price of L Solar 1 at the Completion Date, the value of which if the market price of ordinary shares of the Company on the Completion Date is Baht 13.59 per share, the total purchase price will be Baht 571.10 million, and 2) fair value of L Solar 1, the value of which if equals the base value used in the negotiation with the Sellers at Baht 498 million, the impairment expense will be Baht 73.10 million.

## 10.7 Determination of the PP price and appropriateness of PP Price of newly issued ordinary share to private placement

The Board of Directors has the opinion that PP price of Baht 12.00 per share for the PP, with the 11.68 percent discount from the volume weighted average price (“VWAP”) of 7 consecutive business days prior to the Board resolution or equal to Baht 13.59 per share, is appropriate. The determination of discount from the market price is agreed based on the negotiation to acquire ordinary shares of L Solar 1 at the most appropriate price.

The L Solar 1 share valuation is calculated based on various share valuation methods as follows:

- Share valuation by Market Comparables Approach will use various financial ratios such as Price to Earning Ratio (P/E ratio), Price to Book Value Ratio (P/B Ratio), and Enterprise Value to Earning before Interest, Tax, Depreciation and Amortization (EV/EBITDA Ratio) of companies in the same sector and listed on the Stock Exchange of Thailand (“SET”). With this method, the valuation is determined by market value of the securities, which change according to supply and demand in the market as well as investors’ expectations on the business performance in the past and future of the companies that are used as comparables.

With this method, financial ratios of L Solar 1 will be compared to companies that operate within the same sector, i.e. generation and distribution of electricity from solar energy companies listed on the SET, which are SPCG Public Company Limited (“SPCG”), BCPG Public Company Limited (“BCPG”), Thai Solar Energy Public Company Limited (“TSE”), Superblock Company Limited (“SUPER”) and Energy Absolute Public Company Limited (“EA”), and financial ratios that are used in valuation of L Solar 1 are P/E Ratio, P/B Ratio and EV/EBITDA Ratio. Details of which are as follows:

- Value of companies within the same sectors and the calculated financial ratios are illustrated in the following table: (Source: Bloomberg as of 31 May 2017)

	Asset	Equity	Revenue	Net Income	Market Capitalization	Enterprise Value	P/E	P/BV	EV/EBITDA
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Time	Time	Time
BCPG	25,489	13,517	3,084	1,541	28,874	30,592	13.18x	2.13x	13.26x
SPCG	24,232	9,766	5,448	2,314	19,496	30,987	8.19x	2.18x	7.86x
TSE	8,375	4,563	1,013	618	11,072	12,642	21.55x	2.51x	24.01x
SUPER	48,060	11,446	3,802	362	41,571	65,150	114.96	3.63x	36.42x
EA	41,507	11,389	10,392	3,252	110,968	134,768	31.56x	8.97x	24.77x
Maximum <sup>1)</sup>							31.56x	3.63x	24.01x
Minimum							8.19x	2.13x	7.86x

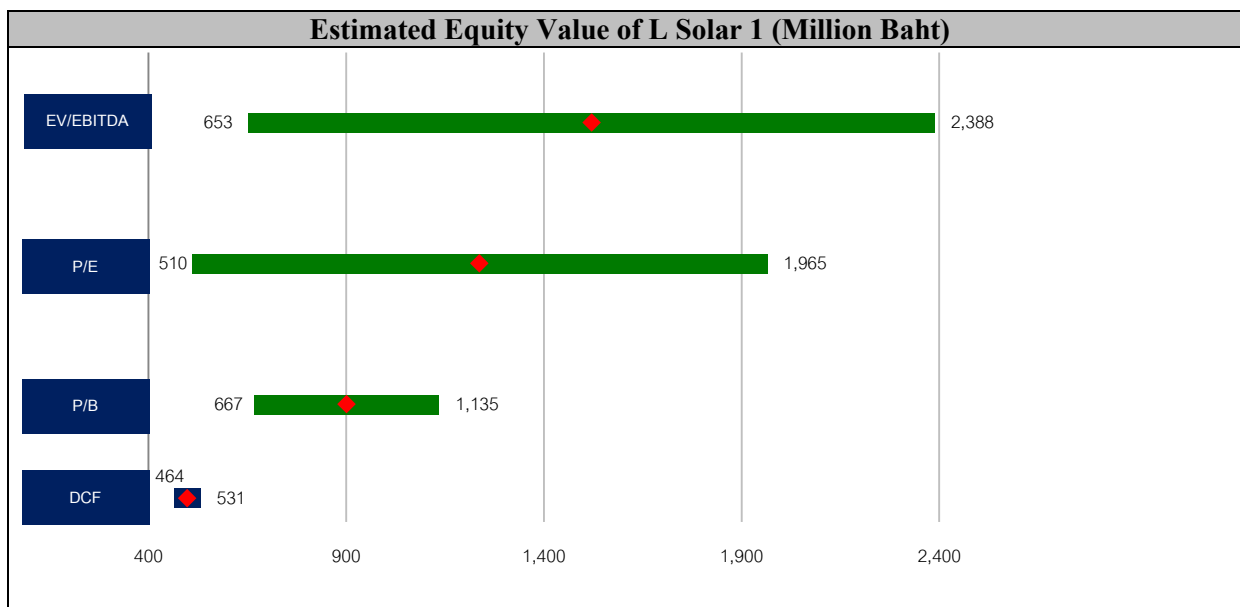
Remark1) Outlier with abnormal financial ratios is excluded from comparable companies

- Share valuation by discounted cash flows method will consider expected future cash flow from operation on a going concern basis. With this method, the valuation will reflect the value of business in the long run by considering potential impact from business operation and expected future cash flow. However, the appropriateness, accuracy and reasonableness of this valuation method depend on financial

assumptions used to estimate the business performance. In valuing L Solar 1 with discounted cash flow method, QTCGP uses assumptions based on 1) interviews with executives and 2) Due Diligence by advisors of the Company; including a technical advisor, Owl Energy Ltd., a legal advisor, R.W.T. International Law Office Co., Ltd., a financial advisor, Finansia Securities Limited, and a tax advisor, EY Corporate Services Limited. The key assumptions are summarized as follows.

Unit : Million Baht	Before Adder Expires	After Adder Expires
Total Revenue	145 – 155	50 - 69
Total Expense	68 - 75	38 - 74
Net Profit (Loss)	71 - 85	(21) - 25
Weighted average cost of capital (WACC)	6.14 - 6.88 percent	

From valuation of L Solar 1 with aforementioned methods, estimated equity value of L Solar 1 are as follows:



Financial advisor gave an opinion to the board of directors that fair value range of L Solar 1 lies between Baht 498 – 667 million, covering all fair value ranges calculated from various methods which are appropriate.

The board of directors has considered such appropriate range of L Solar 1's fair value and the best interest of the Company, and has proposed the lowest value in the fair value range of Baht 498 million as a base price in negotiating with the Seller. However, the agreed purchase price of L Solar 1 is at Baht 538.10 million, higher than the base price. The board of directors has also considered the benefits in other aspects, which include opportunity to expand the business for steady growth, to increase stability of revenue as well as to alleviate risk of relying only on revenue from manufacturing and distribution of transformer. The Transaction is in accordance with the strategies of the Company and/or its subsidiaries to invest in generation and distribution of electricity business

and to increase the Company's value. Moreover, as L Solar 1 solar power plant has been commercially operated since 2 December 2011, there are no risks from the construction and development of the solar power plant as compared to power plants that have not been commercially operated.

The benefit that the Company will receive from the issuance and offering shares to PP investors, including Loxley and Leonics, is that the Company will gain strategic partners in the form of strategic shareholders. As the PP investors are the former shareholders in L Solar 1, who have knowledge and experience that will be beneficial to the operation of L Solar 1, as well as provide opportunity to expand the Company's business in the future. The board of directors had an opinion that some technology-related businesses of Loxley might contribute to the Company's business. In addition, given ability to manage large scale businesses with continuous track records, Loxley is considered having knowledge and experience that would benefit and contribute to the Company's business. Furthermore, according to the Share Purchase Agreement, Loxley will have right to nominate one director, who probably is a knowledgeable and has appropriate ability to support the growth of the Company. As for Leonics, the board of directors opined that Leonics' business is relevant and beneficial to the Company's business, especially given that L Solar 1's solar power plant operates with inverters developed by Leonics.

On the other hand, the decision not to invest in L Solar 1 may result in the Company's loss of opportunity to receive return on investment, development and expansion of power business, as well as opportunity to receive support from strategic partners, which cannot be accurately quantified.

#### **11. Warranty of Directors**

The Board of Directors certifies that the Board of Directors has performed its duty with honesty and has carefully preserved the benefit of the Company in relation to the increase of the registered capital. However, in the case that such performance of duty cause damage to the Company, the shareholders are entitled to file a lawsuit to claim for damages from such director on behalf of the Company as specified in Section 85 of the Securities and Exchanges Act B.E. 2535. In addition, in the case that such performance of duty causes a director or his/her related person to obtain undue benefit, the shareholders shall be entitled to file a lawsuit to claim for such benefit from such director on behalf of the Company as specified in Section 89/18 of the Securities and Exchanges Act B.E. 2535.

#### **12. Opinions of Audit Committee and/or Company Directors, which differ from the Board of Directors**

- None-

**13. Right of shareholders to oppose the offering of a newly issued share at a discount**

The issuance and offering of the newly issued ordinary shares through private placement at the price of Baht 12.00 per share, which has more than 10 percent discount from market price. The transaction requires approval from the shareholders' meeting with more than three-fourths shareholders attending the meeting and having the right to vote, excluding shareholders with personal interest in such transaction, and must not be opposed by 10 percent or more of shareholders attending the meeting.

**14. The audit committee's opinion on independent financial advisor's report concerning acquisition of assets of QTC Energy Public Company Limited by acquiring ordinary shares of L Solar 1 Company Limited**

The audit committee meeting No.3/2017 held on 14 July 2017 has considered and given opinion on the independent financial advisor's report ("IFA report") concerning the acquisition of assets of the Company by acquiring ordinary shares of L Solar 1 as follows:

The audit committee had opinion that that the Transaction is appropriate and beneficial to the Company and its shareholders even though the IFA report assessed that the acquisition of ordinary shares of L Solar 1 is unreasonable due to the inappropriateness of L Solar 1's share price, and the price of shares that the Company issued and offered to the Sellers as a part of total consideration for L Solar 1's shares, as well as potential accounting impacts.

However, the audit committee has considered that the acquisition of L Solar 1's shares is beneficial to the Company and its shareholders as stated in Information Memorandum on the purchase of shares in L Solar 1 to invest in a solar power plant project with contracted capacity of 8 Megawatt in Kabinburi, Prachinburi province ("Information Memorandum on Acquisition and Disposal") including opportunity to expand the business for steady growth, to increase stability of revenue as well as to alleviate risk of relying only on revenue from manufacturing and distribution of transformer. The Transaction is also in accordance with the strategies of the Company and/or its subsidiaries to invest in generation and distribution of electricity business and to increase the Company's value. Moreover, as L Solar 1 solar power plant has been commercially operated since 2 December 2011, there are no risks from the construction and development of the solar power plant as compared to the power plants that have not been commercially operated.

The benefit that the Company will receive from the issuance and offering shares to PP investors, including Loxley and Leonics, is that the Company will gain strategic partners in the form of strategic shareholders. As the PP investors are the former shareholders in L Solar 1, who have knowledge and experience that will be beneficial to the operation of L Solar 1 as well as provide opportunity to expand the Company's business in the future. The audit committee opined that some technology-related businesses of Loxley might contribute to the Company's business. In addition, given the ability to manage large scale businesses with continuous track records, Loxley is considered having knowledge and experience that would benefit and contribute to the Company's business. Furthermore, according to the Share Purchase Agreement, Loxley will have right to nominate one director, who probably is a knowledgeable and has appropriate ability to support the growth of the Company. As for Leonics, the audit committee opined that Leonics' business is relevant and beneficial to the Company's business, especially given the fact that L Solar 1's solar power plant operates with inverters developed by Leonics.

On the other hand, the decision not to invest in L Solar 1 may result in the Company's loss of opportunity to receive return on investment, development and expansion of power business, as well as opportunity to receive support from strategic partners, which cannot be accurately quantified.

The audit committee has carefully considered the expected benefit taking into account the best interest of the Company's shareholders. In order not to lose the business opportunity, the opinion remains **unchanged** from the board of directors meeting No.8/2017 held on 19 June 2017 where the board of directors approved the entering into L Solar 1's Share Purchase Agreement to invest in a solar power plant project with contracted capacity of 8 Megawatt in Kabinburi, Prachinburi province. The audit committee still considers proposing the matter to shareholders meeting for approval as follows:

- 1) Approve QTCGP to acquire all ordinary shares of L Solar 1 and related matters as proposed;
- 2) Approve the authorization of Mr. Poonphiphat Tantanasin or a person designated by Mr. Poonphiphat Tantanasin to determine terms and conditions and details regarding the acquisition of L Solar 1's shares, raising capital, as well as the issuance and offering of newly issued ordinary shares to PP investors including the authority to; (1) negotiate and sign document and agreement related to the Transaction (2) sign the application form and necessary evidence relating to the acquisition of L Solar 1's shares, raising capital, the issuance and offering of newly issued ordinary shares to PP investors, as well as contacting and submission of permission request and waiver request, and to sign or to warrant such documents to government agencies or related organizations;
- 3) Approve an increase in registered capital of the Company amounting to 20,910,475 shares at Baht 12 per share for the allocation to PP investors, including Loxley and Leonics, who are the shareholders of L Solar 1.

If the Extraordinary General Meeting No.9/2017 resolves to approve the investment in L Solar 1 solar power plant project, QTCGP will enter into the Transaction to purchase L Solar 1's shares after the SEC approves the issuance and offering of newly issued shares to PP investors.

Please be informed accordingly.

Sincerely yours,

*Mr. Poonphiphat Tantanasin*

(Mr. Poonphiphat Tantanasin)

Chief Executive Officer and  
Managing Director

(F 53-4)

**Capital Increase Report Form (Revised)**  
**QTC Energy Public Company Limited**  
**20 June 2017**

We, QTC Energy Public Company Limited (the “Company”), hereby report on the resolution of the Board of Directors’ Meeting No. 8/2017, held on 19 June 2017 from 11.00 – 14.30 hours, relating to a capital increase/share allotment as follows:

**1. Capital Increase**

The Board of Directors’ Meeting has passed a resolution approving the increase of the Company’s registered capital from Baht 337,500,000 to Baht 359,240,725 by issuing 21,740,725 ordinary shares with a par value of Baht 1 each, totaling Baht 21,740,725. The details of the capital increase are as follows:

Type	Type of Share	Number of Shares (Shares)	Par Value (Baht/share)	Total (Baht)
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds	Ordinary Shares	21,740,725	1.00	21,740,725
<input type="checkbox"/> General Mandate	-	-	-	-

**2. The Allotment of New Shares**

The Board of Directors’ Meeting has passed a resolution approving the allotment of 21,740,725 ordinary shares with a par value of Baht 1 each, totaling Baht 21,740,725, with details as follows:

**2.1 If specifying the purpose of utilizing proceeds**

Allotted to	Number of Shares	Ratio (old : new)	Offering Price (Baht/share)	Subscription and Payment Period	Note
Specific Investors (Private Placement), namely, Loxley Public Company Limited and Leonics Company Limited <sup>1</sup>	20,910,475	N/A	Baht 12.00 <sup>2</sup>	Please see remark no. 3	-
Reserve for adjustment of warrants to purchase ordinary shares in the Company No.1 (“QTC-W1”)	830,250	-	-	Please see remark no. 4	-

**Remarks:**

1. The details of the specific investors are as follows:

1) Loxley Public Company Limited

- Name : Loxley Company Limited
- Corporate Registration : 0107536000218
- Type of Company : Public Company Limited
- Business Overview : Business Types: main businesses are divided into 4 sectors as follows:
- 1) Technology Business: being the service provider of entire products/services ranges, including survey, design, installation, network setup, system development as customers' requirements, maintenance, consultancy service in IT and telecommunication, infrastructure system projects, energy system projects, TV and radio communication system projects, electrical system projects, and specific projects involving high technology products
  - 2) Trading Business: being distributor of consumer products and industrial chemical products with an expansion to overseas country
  - 3) Services Business: being provider of total security solution services and management of airports as well as other related services
  - 4) Joint Venture Business: being joint venture with internationally experienced and recognized business partners
- Address : 102 Na Ranong Rd, Khlong Toei Subdistrict, Khlong Toei District, Bangkok 10110
- Relationship to the Company : Not a connected person of the Company and has no other relationship with the Company
- Major Shareholders : Lists of major shareholders as of the latest book closing date on 23 March 2017 are as follow

Number	Shareholder	Number of Share (shares)	Percentage (percent)
1.	<b>Lamsam Group</b>		
	1.1 Ekpavee Co., Ltd.	584,158,113	25.79
	1.2 Mr. Pairote Lamsam	37,368,481	1.65

**Enclosure No. 6**

Number	Shareholder	Number of Share (shares)	Percentage (percent)
	1.3 Mr. Thongchai Lamsam	26,732,044	1.18
	1.4 Mr. Banyong Lamsam and Mrs. Nartrudee Weeramaeteekul	20,200,000	0.89
	1.5 Mrs. Duangruthai Poomchusri	12,793,200	0.57
	1.6 M.R. Sam-aungvarn Lamsam	11,816,931	0.52
	1.7 Mr. Chalermchoke Lamsam	9,876,688	0.44
	Total shares held by Lamsam group	702,945,457	31.04
2.	Mr. Kiatchai Limpichotpong	113,187,955	5.00
3.	Thai NDVR Co., Ltd. <sup>1</sup>	106,955,306	4.72
4.	Mrs. Charuvarn Vanasin	62,088,700	2.74
5.	ML Prasopchai Kasemsant	21,420,000	0.95
6.	Mrs. Benjawan Kumpanartsanyakorn	17,178,020	0.76
7.	XL INVESTMENTS LTD.	14,024,997	0.62
8.	Mr. Chaiporn Achakul	13,400,000	0.59
9.	Mr. Somchai Kamolratanapiboon	12,000,000	0.53
10.	EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT	11,387,335	0.50

Source : Loxley

Directors : Lists of director of Loxley Public Company Limited are as follow

Number	Lists of Director	Title
1.	Mr. Pairote Lamsam	Chairman
2.	Mr. Dhongchai Lamsam	Chairman of the Executive Board / Director
3.	Mr. Sukit Wanglee	Vice Chairman
4.	Mr. Suroj Lamsam	President / Director
5.	Mr. Chalermchoke Lamsam	Managing Director / Director
6.	Mr. Poomchai Lamsam	Director
7.	Mr. Vasant Chatikavanij	Director
8.	Mr. Suebtrakul Soonthornthum	Director
9.	Mr. Suraphand Bhasitnirandr	Director

**Enclosure No. 6**

Number	Lists of Director	Title
10.	Mr. Sompop Chareonkul	Director
11.	Mr. Jingjai Hanchanlash	Director
12.	General Vichit Yathip	Independent Director
13.	Mr. Harit Sutabutr	Independent Director / Chairman of the Audit Committee
14.	Mr. Supavud Saicheua	Independent Director
15.	Mr. Rawat Chamchalerm	Independent Director
16.	Mr. Charoon Chinalai	Audit Committee
17.	Mr. Joti Bhokavanij	Audit Committee

Source : The Stock Exchange of Thailand

Management : Lists of management of Loxley Public Company Limited are as follows:

Number	Lists of Management	Title
1.	Mr. Dhongchai Lamsam	Chairman of the Executive Board
2.	Mr. Suetrakul Soonthornthum	Vice Chairman of the Executive Board
3.	Dr. Jingjai Hanchanlash	Vice Chairman of the Executive Board
4.	Mr. Vasant Chatikavanij	Vice Chairman of the Executive Board
5.	Mr. Suraphand Bhasitnirandr	Vice Chairman of the Executive Board
6.	Dr. Sompop Chareonkul	Vice Chairman of the Executive Board
7.	Mr. Suroj Lamsam	President
8.	Mr. Chalermchoke Lamsam	Managing Director
9.	Mr. Supat Karachalkul	First Executive Vice President
10.	Mrs. Kosoom Siphurmsukskul	First Executive Vice President
11.	Mr. Saknarong Saengsangapong	First Executive Vice President
12.	Mr. Thongyai Chanthanawan	First Executive Vice President
13.	Mr. Karn Thongyai	First Executive Vice President

Source : Form 56-1 (as of 1 January 2017)

2) Leonics Company Limited

Name : Leonics Company Limited  
Corporate Registration : 0107536000218  
Type of Company : Company Limited

**Enclosure No. 6**

Business Overview	Research, develop, and manufacture electronic power equipment including power conservation equipment with world-class quality to compete in both domestically and internationally
Address	: 113 Moo 5 Bangna-Trad Road, Bangsamuck Subdistrict, Bangpakong District, Chachoengsao
Relationship to the Company	: Not a connected person of the Company and has no other relationship with the Company
Major Shareholders	Lists of major shareholders as of Leonics Company Limited are as follow

Number	Shareholders	Number of Share (Share)	Shareholding Percentage (%)
1.	Mrs. Pranee Kriangpratana	499,997	99.9994
2.	Mr. Samrerng Kriangpratana	1	0.0002
3.	Mr. Surapon Sangthongsuk	1	0.0002
4.	Mrs. Suree Ono	1	0.0002
<b>Total</b>		<b>500,000</b>	<b>100.00</b>

Source : The Ministry of Commerce

Board of Directors : Lists of director of Leonics Company Limited are as follows:

Number	Lists of Director	Title
1.	Mr. Samrerng Kriangpratana	Director
2.	Mrs. Pranee Kriangpratana	Director
3.	Mr. Decho Apinyalawan	Director
4.	Mr. Surapon Sangthongsuk	Director
5.	Mt. Wuthipong Suponthana	Director
6.	Mr. Weerapan Porntarbthong	Director
7.	Mr. Arunkit Sorsukpaiboon	Director
8.	Ms. Surang Kriangpratana	Director
9.	Mrs. Suree Ono	Director

Management : Lists of management of Leonics Company Limited

Number	Lists of Director	Title
1.	Mr. Samrerng Kriangpratana	President
2.	Mt. Wuthipong Suponthana	Chief Executive Officer
3.	Mr. Weerapan Porntarbthong	Chief Operation Officer
4.	Mrs. Suree Ono	Chief Financial Officer
5.	Mr. Arunkit Sorsukpaiboon	Chief Technology Officer

Source : The above list is not the management according to the definition of the Securities and Exchange Commission

- 2) The price determination is made by using fixed price approved by the shareholders as specified by the Notification of the Capital Market Supervisory Board TorJor. 72/2558 Re: the Approval for the Private Placement of Listed Companies which is the negotiation of QTC Global Power Co., Ltd. ("QTCGP") with the sellers for settlement of purchase price of L Solar 1's shares. The offering price is a discount of market price of more than 10 percent (please refer to additional details in the Information Memorandum on the Issuance and Offering of the Newly Issued Shares through Private Placement) (**Low Price**).
- 3) The date and time of the subscription and payment period of the newly issued shares shall be determined later. The issuance and offering of ordinary shares by way of private placement is a part of payment for the price of all shares of L Solar 1 Company Limited ("L Solar 1") which the board of directors authorized Mr.Poonphiphat Tantanasin or person(s) authorized by Mr.Poonphiphat Tantanasin, who shall have authorization to consider and decide on conditions and matters related to the acquisition of shares of L Solar 1, procurement of sources of financing, and the issuance and offering of ordinary shares by way of private placement and have authorization to (1) negotiate, make agreements, and sign the documents and contracts related to the mentioned procedures (2) sign applications and necessary documents in relation to the issuance and offering of ordinary shares through private placement, including contacting and submitting any applications, waiver letters, other documents or evidences to the government agencies or other offices.
- 4) As the Company wishes to issue and offer newly issued shares through private placement, the Company has to adjust the exercise price and exercise ratio for the benefit of the QTC-W1 warrant holders according to the Terms of Rights and Obligations of the Warrant Issuer and the Warrant holders to Purchase the ordinary share of QTC Energy Public Company Limited No. 1 ("QTC-W1") under Clause 4.1 (2) when the Company offers to sell newly issue ordinary shares to existing shareholders and/or by way of public offering and/or private placement (as the case may be) with the net price per share of new ordinary shares being lower than 90 percent the market price of the Company's ordinary shares as follows.

Existing exercise price and exercise ratio: Baht 10.00 per share / 1 warrant for 1.0000 ordinary share

Adjusted exercise price and exercise ratio: Baht 9.88 per share / 1 warrant for 1.0123 ordinary share

**3. Schedule for Extraordinary General Meeting of Shareholders to Approve the Capital Increase/Share Allotment**

The Extraordinary General Meeting of Shareholders No. 2/2017 of the Company is scheduled to be held on 29 August 2017 at 14.00 hours at the Grand Four Wings Convention, Ballroom, 3rd Floor, Srinakarin Road, Bangkok with the following details:

- ☐ The share register will be closed to share transfers in order to determine the right to attend this meeting from – until the meeting has been duly convened.
- ☒ The share register will be recorded for share transfer in order to determine the right to attend the Extraordinary General Meeting of Shareholders on 4 July 2017 (Record Date), and 5 July 2017 (the next business day from the Record Date) will be the book-closing date, on which the shareholder list as specified in section 225 (as amended) of the Securities and Exchange Act shall be compiled.

**4. The Approval of the Capital Increase/Share Allotment by Relevant Governmental Agency and Conditions Thereto (If Any)**

- 4.1 The Company shall receive the Shareholders' Meeting approval for the issuance and offering of ordinary shares through private placement with a resolution of not less than three-fourth of the total votes of shareholders who attend the meeting and entitled to vote and no objection on the offering price from more than 10 percent of total attending shareholders voting rights.
- 4.2 The Company shall receive an approval from the Securities and Exchange Commission ("the SEC") for the issuance and offering of ordinary shares through private placement **at Low Price.**
- 4.3 The Company shall register the capital increase, paid-up capital, and the amendment to the Memorandum of Association with the Department of Business Development, the Ministry of Commerce.
- 4.4 The Company shall apply for approval from the Stock Exchange of Thailand on listing the new ordinary shares on the Market for Alternative Investment ("MAI"). **The shares may be subjected to the silent period according to the Notification of the Stock Exchange of Thailand No. Bor.Jor./Ror 01-09 Re: Rules, Conditions and Procedures Governing the Listing of Ordinary or Preferred Shares Issued for Capital Increase B.E. 2558 (2015).**

**5. Objectives of the Capital Increase and Plans for Utilizing Proceeds Received from the Capital Increase**

The issuance and offering of ordinary shares by way of private placement will be part of the payment for the acquisition of ordinary shares in L Solar 1 which invests in generation and distribution of electricity business from solar power plant with contracted capacity of 8 Megawatt in Kabinburi, Prachinburi. The Company will utilize all proceeds from the issuance and offering of ordinary shares through private placement for supporting the acquisition of L Solar 1's solar power plant business by QTCGP. The Company expects to invest 538.01 million baht in the solar power plant project; the amount of which, 287.09 million baht is

payable in cash and 250.93 million baht is payable in form of the issuance and offering of ordinary shares through private placement.

The issuance of ordinary shares as reserve for adjustment of QTC-W1 is a result from the adjustment of QTC-W1 which, in turn, was a result of the offering of ordinary shares through private placement. The objectives and the utilizations of the capital increase are as follow:

- 1) As reserve for adjustment of QTC-W1
- 2) As sources of fund for the Company's future projects and investments
- 3) As working capital of the Company

**6. Benefits Which the Company Will Receive from the Capital Increase/Share Allotment**

- The Company will be able to expand its business for sustainable growth and increase income sustainability, as well as reduce the risk of depending only on the business of transformers production and distribution. In addition, such investment is in line with the business policy in which the Company and/or its subsidiary will invest in the power generation and distribution business and will increase the Company value in the future.
- Create opportunity to increase income from the investment with appropriate and continually return, and enhance the potential in long-term business operation of the Company on the grounds that the fluctuation of the business of power production and distribution is low. By investing in the Project, the Company will receive return from power distribution to the Provincial Electricity Authority under the PPA, which will enhance financial strength and reinforce potential of business competitiveness of the Company in a long-run.
- Increase the investors' confidence towards the role of the Company in business of power production and distribution, especially as the Company is able to expand the base for power generation and distribution business, which will enhance the opportunity to continually expand the investment in power sector in the future, both domestic and offshore.

**7. Benefits Which Shareholders Will Receive from the Capital Increase/Share Allotment**

**7.1 Dividend Payment Policy**

The company has policy for payment of annual dividends at no less than fifty percent of the net profit after deduction of juristic person income taxes and allocation of reserve funds in compliance with the law. However, the company may consider dividend payments differing from the set policy, depending upon business performance, financial liquidity, economic conditions and necessity to use current capital in order to manage operations and expand the company's business.

**7.2 The Investors Receiving shares through the Capital Increase Will Have the Rights to Receive Dividend from the Operations**

The investors receiving shares through the capital increase will have the rights to receive dividend from the operations upon the completion of shareholder registration.

**7.3 Others**

- None –

**8. Other Details Necessary for Shareholders to Approve the Capital Increase/Share Allotment**

Please see details in the Information Memorandum on the Issuance and Offering of Ordinary Shares through Private Placement in making decision on approving the capital increase/share allotment.

**9. Schedule of Actions If the Board of Directors Passes a Resolution Approving the Capital Increase/Allotment of New Shares:**

<b>No.</b>	<b>Procedures of the Capital Increase</b>	<b>Date/Month/Year</b>
1.	The Board of Directors' Meeting No. 8/2017 to approve the issuance and offering of ordinary shares through Private Placement, the Capital Increase, the Amendment to the Memorandum of Association and the allotment of the newly issued ordinary shares	19 June 2017
2.	The date on which the recorded shareholders shall have the rights to attend the Extraordinary General Meeting of Shareholders No. 2/2017 (Record Date)	4 June 2017
3.	The closing date on which the name list of shareholders is compiled under section 225 of the Securities and Exchange	5 June 2017
4.	The Extraordinary General Meeting of Shareholders No. 2/2017	29 August 2017
6.	The date of registration of the EGM resolution on capital increase with Department of Business Development, the Ministry of Commerce	Within 14 days from the EGM
7.	Subscription period for the private placement	After receiving the approval from the SEC

The Company hereby certifies that the information in this report form is true and complete in all respects.

Signed Mr. Poonphiphat Tantanasin Authorized Director  
(Mr. Poonphiphat Tantanasin )  
Chief Executive Officer and Managing Director

Signed Mr. Ruangchai Kritsnakriengkrai Authorized Director  
(Mr. Ruangchai Kritsnakriengkrai )  
Deputy Managing Director

## Form of Proxy, Form A. (General Form)

Duty Stamp  
THB 20

Made at .....

Date ..... Month ..... Year .....

(1) I/We ..... nationality .....  
 residing/located at No. .... Road, Tambol/Kwaeng .....  
 Amphur/Khet ..... Province ..... Postal Code .....

(2) being a shareholder of QTC Energy Public Company Limited, holding ..... shares  
 in total which are entitled to cast ..... votes as follows:

ordinary shares: ..... shares in total which are entitled to cast ..... votes; and

preferred shares: ..... shares in total which are entitled to cast ..... votes,

(3) I/We wish to appoint

(1) ..... age ..... years, residing/located at No. ....  
 ..... Road, Tambol/Kwaeng ..... Amphur/Khet .....  
 Province ..... Postal Code ..... or

(2) ..... age ..... years, residing/located at No. ....  
 ..... Road, Tambol/Kwaeng ..... Amphur/Khet .....  
 Province ..... Postal Code ..... or

(3) ..... age ..... years, residing/located at No. ....  
 ..... Road, Tambol/Kwaeng ..... Amphur/Khet .....  
 Province ..... Postal Code .....

any one of them as my/our proxy to attend and vote on my/our behalf at the extraordinary  
 general meeting of shareholders no. 2/2017 on 29 August 2017 at 14.00 hours at Ballroom, 3rd Floor, The  
 Grand Fourwings Convention Hotel, Srinakarin Road, Bangkok or such other date, time and place as may  
 be adjourned.

Any acts or performance caused by the proxy at the above meeting shall be deemed as  
 my/our acts and performance in all respects.

Signed ..... Grantor

( ..... )

Signed ..... Grantee

( ..... )

Signed ..... Grantee

( ..... )

Signed ..... Grantee

( ..... )

Remarks

A shareholder may grant a proxy to only one person. The number of shares held by a shareholder may not  
 be divided into several portions and granted to more than one proxy in order to divide the votes.

Form of Proxy, Form B.

Duty Stamp  
THB 20

Made at .....

Date ..... Month ..... Year .....

(1) I/We ..... nationality .....  
residing/located at No. .... Road, Tambol/Kwaeng .....  
Amphur/Khet ..... Province ..... Postal Code .....

(2) being a shareholder of QTC Energy Public Company Limited, holding ..... shares  
in total which are entitled to cast ..... votes as follows:

ordinary shares: ..... shares in total which are entitled to cast ..... votes; and

preferred shares: ..... shares in total which are entitled to cast ..... votes,

(3) I/We wish to appoint

(1) ..... age ..... years,  
residing/located at No. .... Road, Tambol/Kwaeng .....  
Amphur/Khet ..... Province ..... Postal Code ..... or

(2) ..... age ..... years,  
residing/located at No. .... Road, Tambol/Kwaeng .....  
Amphur/Khet ..... Province ..... Postal Code ..... or

(3) ..... age ..... years,  
residing/located at No. .... Road, Tambol/Kwaeng .....  
Amphur/Khet ..... Province ..... Postal Code .....

any one of them as my/our proxy to attend and vote on my/our behalf the extraordinary general meeting of shareholders no. 2/2017 on 29 August 2017 at 14.00 hours at Ballroom, 3rd Floor, The Grand Fourwings Convention Hotel, Srinakarin Road, Bangkok or such other date, time and place as may be adjourned.

(4) I/We authorise my/our proxy to cast the votes on my/our behalf at the above meeting in the following manners:

☐ Agenda no. 1 To acknowledge the minutes of the extraordinary general meeting of shareholders no. 1/2017

☐ Agenda no. 2 To consider and approve the purchase of entire shares in L Solar 1 Company Limited by QTC Global Power Co., Ltd.

☐ (a) The proxy is entitled to cast the votes on my/our behalf at its own discretion.

☐ (b) The proxy must cast the votes in accordance with the following instructions:

☐ Approve ☐ Disapprove ☐ Abstain

☐ Agenda no. 3 To consider and approve the increase of the Company's registered capital and the amendment to Clause 4 of the Company's Memorandum of Association so as to reflect the increase of registered capital

- ☐ (a) The proxy is entitled to cast the votes on my/our behalf at its own discretion.  
☐ (b) The proxy must cast the votes in accordance with the following instructions:  
☐ Approve                      ☐ Disapprove                      ☐ Abstain

- ☐ Agenda no. 4 To consider and approve the allocation of ordinary shares of the Company  
☐ (a) The proxy is entitled to cast the votes on my/our behalf at its own discretion.  
☐ (b) The proxy must cast the votes in accordance with the following instructions:  
☐ Approve                      ☐ Disapprove                      ☐ Abstain

- ☐ Agenda no.5 To consider and approve the appointment of new director  
☐ (a) The proxy is entitled to cast the votes on my/our behalf at its own discretion.  
☐ (b) The proxy must cast the votes in accordance with the following instructions:  
☐ Appointment of the entire Board Committee  
☐ Approve                      ☐ Disapprove                      ☐ Abstain  
☐ Appointment of individual director  
Name: Mr. Suroj Lamsam  
☐ Approve                      ☐ Disapprove                      ☐ Abstain

- ☐ Agenda no. 6 To consider any other business (if any).  
☐ (a) The proxy is entitled to cast the votes on my/our behalf at its own discretion.  
☐ (b) The proxy must cast the votes in accordance with the following instructions:  
☐ Approve                      ☐ Disapprove                      ☐ Abstain

(5) If the votes which the proxy casts on any agenda conflict with my/our specified instruction in this proxy form, those votes are invalid and will be regarded as having not been cast by me/us in my/our capacity as the shareholder.

(6) If my/our instruction on voting is not expressly or clearly indicated on any agenda, the meeting considers or resolves on any matter other than those stated above, or there is any change or addition to the relevant facts, then the proxy will be entitled to cast the votes on my/our behalf at his/her own discretion.

Any acts or performance caused by the proxy at the above meeting, except voting in contravention of my/our instruction, shall be deemed as my/our acts and performance in all respects.

Signed..... Grantor  
(.....)

Signed..... Grantee  
(.....)

Signed..... Grantee  
(.....)

Signed..... Grantee  
(.....)

**Remarks**

1. A shareholder may grant a proxy to only one person. The number of shares held by a shareholder may not be divided into several portions and granted to more than one proxy in order to divide the votes.
2. As regards the agenda to appoint directors, the meeting may consider appointing the entire board or any director(s).
3. In case there are more agendas to be discussed than those specified above, the grantor may make additional authorisation in the Attachment to Proxy Form B.

Form of Proxy, Form C.

Duty Stamp  
THB 20

Made at .....  
Date ..... Month ..... Year .....

(1) We .....  
located at No. .... Road, Tambol/Kwaeng .....  
Amphur/Khet ..... Province ..... Postal Code .....  
in our capacity as the custodian for .....  
being a shareholder of QTC Energy Public Company Limited, holding ..... shares in total which  
are entitled to cast ..... votes as follows:

ordinary shares: ..... shares in total which are entitled to cast ..... votes; and  
preferred shares: ..... shares in total which are entitled to cast ..... votes,

(2) We wish to appoint

(1) ..... age ..... years,  
residing/located at No. .... Road, Tambol/Kwaeng .....  
Amphur/Khet ..... Province ..... Postal Code ..... or

(2) ..... age ..... years,  
residing/located at No. .... Road, Tambol/Kwaeng .....  
Amphur/Khet ..... Province ..... Postal Code ..... or

(3) ..... age ..... years,  
residing/located at No. .... Road, Tambol/Kwaeng .....  
Amphur/Khet ..... Province ..... Postal Code .....

any one of them as our proxy to attend and vote on our behalf at the extraordinary general  
meeting of shareholders no. 2/2017 on 29 August 2017 at 14.00 hours at Ballroom, 3rd Floor, The Grand  
Fourwings Convention Hotel, Srinakarin Road, Bangkok or such other date, time and place as may be  
adjourned.

(3) We authorise our proxy to attend the meeting and cast the votes on our behalf in the following  
manner:

- ☐ The voting right in all the voting shares held by us is granted to the proxy.  
☐ The voting right in part of the voting shares held by us is granted to the proxy as follows:  
☐ Ordinary shares: ..... shares in total, which are entitled to cast ..... votes; and  
☐ Preferred shares: ..... shares in total, which are entitled to cast ..... votes,  
Total: ..... votes

(4) We authorise our proxy to cast the votes on our behalf at the above meeting in the following  
manner:

- ☐ Agenda no. 1 To acknowledge the minutes of the extraordinary general meeting of  
shareholders no. 1/2017  
☐ Agenda no. 2 To consider and approve the purchase of entire shares in L Solar 1  
Company Limited by QTC Global Power Co., Ltd.  
☐ (a) The proxy is entitled to cast the votes on my/our behalf at its own discretion.  
☐ (b) The proxy must cast the votes in accordance with the following instructions:  
☐ Approve with ..... votes ☐ Disapprove with ..... votes ☐ Abstain with ..... votes

- ☐ Agenda no. 3 To consider and approve the increase of the Company's registered capital and the amendment to Clause 4 of the Company's Memorandum of Association so as to reflect the increase of registered capital
- ☐ (a) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- ☐ (b) The proxy must cast the votes in accordance with the following instructions:  
☐ Approve with.....votes   ☐ Disapprove with.....votes   ☐ Abstain with.....votes
- ☐ Agenda no. 4 To consider and approve the allocation of ordinary shares of the Company
- ☐ (a) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- ☐ (b) The proxy must cast the votes in accordance with the following instructions:  
☐ Approve with.....votes   ☐ Disapprove with.....votes   ☐ Abstain with.....votes
- ☐ Agenda no.5 To consider and approve the appointment of new director
- ☐ (a) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- ☐ (b) The proxy must cast the votes in accordance with the following instructions:  
☐ Appointment of the entire Board Committee  
☐ Approve                      ☐ Disapprove                      ☐ Abstain  
☐ Appointment of individual director  
Name: Mr. Suroj Lamsam  
☐ Approve                      ☐ Disapprove                      ☐ Abstain
- ☐ Agenda no. 6 To consider any other business (if any).
- ☐ (a) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- ☐ (b) The proxy must cast the votes in accordance with the following instructions:  
☐ Approve                      ☐ Disapprove                      ☐ Abstain

(5) If the votes which the proxy casts on any agenda conflict with my/our specified instruction in this proxy form, those votes are invalid and will be regarded as having not been cast by me/us in my/our capacity as the shareholder.

(6) If my/our instruction on voting is not expressly or clearly indicated on any agenda, the meeting considers or resolves on any matter other than those stated above, or there is any change or addition to the relevant facts, then the proxy will be entitled to cast the votes on my/our behalf at his/her own discretion.

Any acts or performance caused by the proxy at the above meeting, except voting in contravention of my/our instruction, shall be deemed as my/our acts and performance in all respects.

Signed..... Grantor  
(.....)

Signed..... Grantee  
(.....)

Signed..... Grantee  
(.....)

Signed..... Grantee  
(.....)

**Remarks**

1. This Form C. is used only if the shareholder whose name is in the shareholders' register is an offshore investor who appoints a local custodian in Thailand to keep his/her shares in the custody.
2. The necessary evidence to be enclosed with this proxy form is:
  - (1) the power-of-attorney granted by the shareholder to the custodian by which the custodian is appointed to sign the proxy form on the shareholder's behalf; and
  - (2) a certification that the authorised signatory of the proxy form is licensed to operate the custodial business
3. A shareholder may grant a proxy to only one person. The number of shares held by a shareholder may not be divided into several portions and granted to more than one proxy in order to divide the votes.
4. As regards the agenda to appoint directors, the meeting may consider appointing the entire board or any director(s).
5. In case there is other business to be discussed in addition to those specified above, the grantor may make additional authorisation in the Attachment to Proxy Form C.

### Profiles of the independent directors proposed as proxy by the Company



Name	Mr. Natthaphon Lilawatthananun
Age	58 years
Nationality	Thai
Address	No. 7/212 Chaipayruk Village Soi 7, Thawi Watthana Road, Khet Thawi Watthana, Bangkok
Educational qualification	Master of Business Administration, Faculty of Commerce and Accountancy, Finance, Chulalongkorn University
Directorship training	<ul style="list-style-type: none"> <li>• Director Certification Program (DCP), Class 10/2004</li> <li>• Audit Committee Program (ACP), Class 3/2004</li> </ul>
Work Experience	<ul style="list-style-type: none"> <li>• Director, Unimit Engineering Public Company Limited</li> <li>• Director, Unique Mining Services Public Company Limited</li> <li>• Director and Director manager, Excellent Business Management Company Limited</li> <li>• Director and Director manager, NBS Research &amp; Consulting Company Limited</li> </ul>
Current job positions	<ul style="list-style-type: none"> <li>• Director, and Audit committee, QTC Energy Public Company Limited</li> <li>• Director, Unimit Engineering Public Company Limited</li> <li>• Director and Director manager, Excellent Business Management Company Limited</li> <li>• Director and Director manager, NBS Research &amp; Consulting Company Limited</li> </ul>
<u>In any listed companies</u>	QTC Energy Public Company Limited / Unimit Engineering Public Company Limited
<u>In any non-listed companies</u>	Excellent Business Management Company Limited / NBS Research & Consulting Company Limited
<u>In any companies which may result in a conflict of interest with the Company</u>	None
Term of office	6 years
% of shareholding in the Company	None
Direct or indirect interest in any entity in which the company or its subsidiary is a party to an agreement	None

Interest in the agendas proposed in the Meeting      None

Historical records or meeting attendance in 2015      The Board of Director Meeting 8 out of 8

(This candidate is not a director or executive in any company which may result in a conflict of interest with the Company.)

### Profiles of the independent directors proposed as proxy by the Company



Name	Mr. Pholrach Piathanom
Age	64 years
Nationality	Thai
Address	310/1 Soi Lat Phrao 23 Road, Chandrakasem, Chatuchak, Bangkok 10900
Educational qualification	<ul style="list-style-type: none"> <li>• Master's Degree, Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> <li>• Master's Degree, Business Administration, National Institute of Development Administration</li> </ul>
Directorship training	<ul style="list-style-type: none"> <li>• Director Certification Program (DCP), Class 118/2009</li> <li>• Director Accreditation Program (DAP), Class 78/2009</li> <li>• Audit Committee Program (ACP), Class 31/2010</li> <li>• Role of the Compensation Committee (RCC), Class 31/2014</li> </ul>
Work Experience	<ul style="list-style-type: none"> <li>• Director, NIDA Center for Enhancing Competitiveness</li> <li>• Director, MDICP Intertrade Company Limited</li> <li>• Director, MDICP Holding Company Limited</li> </ul>
Current job positions	<ul style="list-style-type: none"> <li>• Director and Audit committee, QTC Energy Public Company Limited</li> <li>• Director, Srangkonkeng Company Limited</li> </ul>
In any listed companies	QTC Energy Public Company Limited
In any non-listed companies	Srangkonkeng Company Limited
<u>In any companies which may result in a conflict of interest with the Company</u>	None
Term of office	6 years
% of shareholding in the Company	Ordinary share 209,000 shares, representing 0.075 percent
Direct or indirect interest in any entity in which the company or its subsidiary is a party to an agreement	None
Interest in the agendas proposed in the Meeting	a person nominated to be a director in agenda 5

Historical records or meeting  
attendance in 2016

The Board of Director Meeting 8 out of 8

This candidate is not a director or executive in any company which may result in a conflict of interest with the Company.

**Documents or evidence showing an identity of the shareholder or a representative of the shareholder entitled to attend the meeting**

The policy of the Board of The Stock Exchange of Thailand, dated 19th February, 1999, relating to good practices for holding of a shareholders' meeting, aims to establish guidelines for listed companies to follow. This will create confidence to shareholders, investors and all relevant parties. In order for the shareholders' meeting of the Company to be transparent, fair and beneficial to shareholders, the Company considers it appropriate to inspect the documents or evidence showing an identity of the shareholder or a representative of the shareholder entitled to attend the meeting. This will also be applied in the future. However, since some shareholders may not be familiar with this, the Company reserves the right to waive any of these requirements for some of the shareholders on a case by case basis as the Company considers appropriate.

1. Natural person

1.1 Thai nationality

- (a) identification card of the shareholder (personal I.D. or identification card of government officer or identification card of state enterprise officer); or
- (b) in case of proxy, identification card of the shareholder(Copy) and identification card or passport (in case of a foreigner) of the proxy.

1.2 Non-Thai nationality

- (a) passport of the shareholder; or
- (b) in case of proxy, passport of the shareholder and identification card or passport (in case of a foreigner) of the proxy.

2. Juristic person

2.1 Juristic person registered in Thailand

- (a) corporate affidavit, issued within 3 months by Department of Business Development, Ministry of Commerce; and
- (b) identification card or passport (in case of a foreigner) of the authorised director(s) who sign(s) the proxy form including identification card or passport (in case of a foreigner) of the proxy.

2.2 Juristic person registered outside of Thailand

- (a) corporate affidavit; and
- (b) identification card or passport (in case of a foreigner) of the authorised director(s) who sign(s) the proxy form including identification card or passport (in case of a foreigner) of the proxy.

A copy of the documents must be certified true copy. In case of any documents or evidence produced or executed outside of Thailand, such documents or evidence should be notarised by a notary public.

A shareholder or a proxy may register and submit the required documents or evidence for inspection at the meeting from 12.00 p.m. on 28 April 2017.

Remark

If any shareholder cannot attend the 2017 Annual General Meeting of Shareholders, the shareholder may grant the proxy to independent director of the Company to act as proxy holder to attend and vote on his/her behalf by sending the duly completed proxy form to QTC Energy Public Company Limited at no. 2/2 Soi Krungthep Kritha 8 (5), Huamark, Bangkok, Bangkok.

**Articles of Association concerning the Shareholders' Meeting and Voting Procedures**

1. Proxy

Chapter IV Clause 38

A shareholder may appoint a proxy to attend and vote at a meeting of shareholders on his/her behalf. The instrument appointing a proxy must be made in writing, signed by the shareholder and made in a form prescribed by the Public Companies Registrar. The proxy instrument must be submitted with the Chairman or his/her assignee before the proxy attends the meeting. The proxy instrument must contain at least the following particulars:

- a) the amount of shares held by the shareholder;
- b) the name of the proxy; and
- c) the meeting at which the proxy is appointed to attend and vote.

2. Meeting Procedures

Chapter IV Clause 39

The meeting of shareholders must proceed according to the agenda specified in the notice of the meeting in respective order. However, the meeting may vary the sequence of the agenda if approved by a resolution passed by two-thirds (2/3) or more of the votes cast by the shareholders attending the meeting.

After the meeting of shareholders completes its consideration of the agenda prescribed in the notice of the meeting, the shareholders holding in aggregate one-third (1/3) or more of the total issued shares may request the meeting to consider any matters in addition to the agenda prescribed in the notice of the meeting.

If the meeting of shareholders is unable to complete its consideration of the agenda prescribed in the notice of the meeting or additional matters raised by the shareholders and it is necessary to adjourn the meeting, then the meeting must fix the place, date and time of the adjourned meeting. The board of directors must send a notice of the meeting specifying the place, date, time and agenda to shareholders seven (7) days or more before the meeting date. The notice must also be published in a newspaper at least three (3) days before the meeting date for a period of three (3) consecutive days.

Chapter IV Clause 40

The Chairman of the board of directors will act as the Chairman of the meeting of shareholders. If the Chairman is not present or is unable to discharge his/her duties, the Vice-Chairman will serve as the Chairman. If there is no Vice-Chairman or the Vice-Chairman is unable to discharge his/her duties, the shareholders attending the meeting must elect one of them to act as the Chairman.

3. Quorum

Chapter IV Clause 37

A quorum of a meeting of shareholders requires a lesser of a number of twenty-five (25) shareholders or one-half or more of the total number of shareholders, holdings in aggregate one-third (1/3) or more of the total issued shares, present in person or by proxy (if any).

If after one (1) hour from the time fixed for a meeting of shareholders a quorum has not been constituted, the meeting which was called at the request of shareholders must be dissolved. If the meeting is called other than at the request of the shareholders, an adjourned meeting must be called and a notice of the meeting must be sent to the shareholders seven (7) days or more before the date of the adjourned meeting. No quorum is required at the adjourned meeting.

4. Voting Procedures

Chapter IV Clause 41

In every meeting of shareholders, a shareholder has one vote for each share.

A shareholder who has a special interest in any matter may not cast votes on that matter, except for the election of directors.

Chapter IV Clause 42

A resolution of shareholders must be passed by a majority of the votes cast by the shareholders attending and eligible to vote at the meeting. If the votes are equal, the chairman has a casting vote except where it requires otherwise in these Articles of Association or by law or in any of the following cases where a resolution must be passed by three-quarters (3/4) or more of the votes cast by the shareholders attending and eligible to vote at the meeting:

- (a) a sale or transfer of all or substantial part of the business of the Company to any person;
- (b) a purchase or acceptance of transfer of business of other public or private companies;
- (c) an entering into, amendment or termination of any agreement concerning a lease out of all or substantial part of the business of the Company or an assignment of the management control of the business of the Company to any person or a merger with any person for the purposes of profit and loss sharing;
- (d) an amendment to the Memorandum or Articles of Association of the Company;
- (e) an increase or reduction of capital;
- (f) an issue of debentures; or
- (g) an amalgamation or a dissolution of the Company.

5. Appointment of Directors

Chapter III Clause 15

The Company has a board of directors consisting of at least 5 persons. The board of directors must elect one of their members to be the Chairman and may elect another member to be a Vice-Chairman and any other positions as they see fit. At least one-half of the directors must reside in Thailand.

Chapter III Clause 17

A meeting of shareholders must elect the directors in accordance with the following procedures and rules:

- (1) Each shareholder has one vote for each share held.
- (2) A shareholder may cast votes for each individual director or a group of directors as determined by a meeting of shareholders. In voting to elect more than one candidate as directors, the number of votes for each of the different candidates is indivisible.
- (3) The candidates who obtain the highest votes will be appointed as directors to fill the required number of vacancies for such election. If the candidates who equally obtain the lower votes exceed the required number of vacancies, the chairman has a casting vote.

Chapter III Clause 18

At every annual general meeting of shareholders, one-third (1/3) of the directors, or if it is not a multiple of three, then the number nearest to one-third (1/3) must retire from office.

There must be a drawing by lots to determine the directors retiring on the first and second years following the registration of the Company. In each subsequent year, the directors who occupy the position for the longest period must retire.

A retiring director is eligible for re-election.

**Map to venue for the Extraordinary General Meeting of Shareholders No. 2/2017**

**QTC Energy Public Company Limited**

at Ballroom, 3rd Floor, The Grand Fourwings Convention Hotel, Srinakarin Road, Bangkok

