



Enclosure 3 (For Agenda 5-6)

Information memorandum on the Issuance and Offering of the Newly Issued Ordinary Shares of SPCG Public Company Limited
Information on the allocation of the newly issued ordinary shares to the specific investors (Private Placement)

Pursuant to the resolution of the Board of Directors' meeting of SPCG Public Company Limited (the "**Company**") No. 10/2020 is held on the 25 November 2020 passing a resolution to present the Entire Business Transfer ("**EBT**") of Mitsu Power Group Co., Ltd. ("**Mitsu**") which holds 400,000 shares in SET Energy Co., Ltd. ("**SET Energy**") which is accounted for 40 percent of total issued and paid-in shares to in the shareholders' meeting for approval. In this regard, the Company will issue and consider an allotment of ordinary shares in the number of not exceeding 81,800,000 shares with par value of THB 1.00 to Mitsu for an exchange of the EBT which will occur by January 2021. This will occur after SET Energy has signed a power purchase agreement with PEA ENCOM (which was successfully signed on 26 November 2020) and the Company has received an approval from the shareholders' meeting of the Company.

The relevant shareholding ratios of the Company are as follows:

- The Company holds 400,000 ordinary shares in SET (accounts for 40%)
- Mitsu holds 400,000 ordinary shares in SET (accounts for 40%)
- PEA ENCOM International Co., Ltd. holds 200,000 shares in SET (accounts for 20%)

Please consider detailed information regarding the acquisition of assets which is reported to Stock Exchange of Thailand on 25 November 2020

For the aforementioned of allotment of ordinary shares of Private Placement, Mitsu will not meet the criteria that "Tender Offer" which shall be made pursuant to the Notification of the Capital Market Supervisory Board No. ThorJor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (including any amendments)

In the issuance and allotment of ordinary shares of Private Placement, the Company has prepared information memorandum significant for the consideration of shareholders pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 73/2558 Re: Particulars of Notice Calling Shareholders' Meeting of Listed Companies to Obtain Approval for Issuance and Offer of Securities for Sale. The details are as follows:



1) Detail of allotment of ordinary shares of Private Placement

The Board of Director's meeting has approved the allotment of ordinary shares in the number that does not exceed 81,800,000 shares with par value of 1.00 baht to offer to specific investors (Private Placement) by allocating to Mitsu at the price of 22.00 baht. Particularly for Private Placement to Mitsu as a payment in exchange for the EBT.

Company Name	Mitsu Power Group Co., Ltd.	
Paid-up registered capital	THB 40,000,000	
Directors	Ms. Ratchaneewan Akharawikrai	
Shareholder name and ratio	Ms. Ratchaneewan Akharawikrai	85.00%
	Ms. Phakchathita Mahawong	6.00%
	Mr. Surasak Chanthaphan	5.00%
	Mr. Watcharakorn Pischuanchom	4.00%

General Information

Mitsu Power Group Company Limited ("Mitsu") by Dr. Ratchaneewan Akharawikrai (formerly Thanaphower Group Company Limited) who has saw the opportunities and initiated the business model for the solar farm project use in new urban areas of Eastern Economic Corridor Special Development Zone ("EEC") with a total installed capacity of more than 500 MW ("The solar farm project"), which is a Distributed Generation model and has been introduced to the Company which has a well reputation as an expert and experienced in the solar power plant business. Furthermore, has participated in the study of such business model, as well as has presented to the relevant government agencies.

Dr. Ratchaneewan Akharawikrai, who initiated the project have conducted the study and invest in Set Energy by using Thanaphower Group Co., Ltd., which is a company of Mr. Somchai Uaareerat, who is a brother-in-law and has a shareholding proportion in the Thana at 13.00 percent. Due to the operation of Thana's business including other shareholders who are not related to the solar farm project. Subsequently, Thana has restructured by establishing Mitsu to hold shares in Set Energy, and Dr. Ratchaneewan Akharawikrai and her representative were direct shareholders of Mitsu.



Mitsu operates a management business, project assets and procure a collection of land that has the potential to develop solar power projects by the expert team with engineering background in civil, mechanical, law and economics. Most of them are experts as follows:

1. Are an experts and have understanding in education, seeking new business opportunities in the development area of EEC.
2. Initiate design business model of solar power generation project in the form of Distributed Generation.
3. Expertise in recruiting area of land with a suitable of physical and technical potential for for Project development legally required by checking such as no mortgage or pledge attached. And is a land that has the ability to link with the electricity distribution network of the project in a short time with maximum efficiency and benefit.
4. Expertise in liaising with government agencies, organizations, agencies and people in the EEC area.

Personal Information

Name	Dr. Rachaneewan Akharawikrai
Date of Birth	25 May 1978
Current position	Managing Director of Mitsu Power Power Group Co., Ltd.
Education	Doctoral Degree: Doctor of Education (Curriculum and Instruction) Dhurakij Pundit University Master Degree: Master of Engineering Science in Manufacturing Engineering and Management The University of New South Wales, Australia Bachelor Degree: Bachelor of Science (Printing Technology) King Mongkut's University of Technology Thonburi
Training	Advanced Certificate Course in Public Administration and Law for Executives (No.17), King Prajadhipok's Institute



Work Experience

- Managing director of Info System Co., Ltd., operated business relating to the Management of Information System and received the investment promotion from the Board of Investment (BOI)
- Deputy managing director of Asian Engineering Valuation Co., Ltd., operated business relating to asset valuation, received the approval from the Securities and Exchange Commission (SEC) to manage the control of asset valuation according to the project
- Advisor of academic service center, Srinakharinwirot University
- Advisor of College of Innovation and Management Suan Sunandha Rajabhat University
- Advisor of Kasetsart Energy and Technology Management Center (The Next Global Smart Grid Platform) designing Data Technologies

Name Ms. Phakchathita Mahawong
Date of Birth 22 October 1999
Current position Manaing Partner of Patchara Karn Yang Limited Partnership
Education Studying Bachelor degree in Business Administration (BBA) program, Assumption University in Year 3

Work Experience

- Managing Partner of Patchara Karn Yang Limited
- Partnership Project Coordinator of Mitsu Power Group Co., Ltd.
- Land coordinator of Chai Development Co., Ltd.

Name Mr. Surasak Chanthaphan
Date of birth 23 June 1986
Current position Project Manager of Mitsu Power Group Co., Ltd
Owner of a flower shop, ShinFlower
Education Faculty of Mass Communication Ramkhamhaeng University

Work Experience

- Project staff of Project staff of Asian Engineering Valuation Co., Ltd.
- Owner of a flower shop, ShinFlower since 2012



Name Mr. Watcharakorn Pischuanchom
Date of birth 13 October 1997
Current position Managing Director of Thai Patsanan Property Co., Ltd.
Education Bachelor degree and double major in business management and Global supply chain management, Wayne state university, USA

Work Experience

- Managing Director Thai Passanan Property Co., Ltd.
- Project Coordinator, Mitsu Power Group Company Limited

Due to the entire transaction is in a transferring form, therefore, after Mitsu has offered its ordinary shares process, Mitsu will begin its dissolving a liquidation which is expected to be completed by 2021. Afterwards, Mitsu shareholders will receive the Company's shares allocated to Mitsu in proportion to their shareholding in Mitsu.

The Proportion of shareholding in the Company of Mitsu shareholders after the allocation of the newly issued of ordinary shares and the dissolution as well as the liquidation of Mitsu are as follows:

Name	Number of Company's shares	Percentage
Dr. Rachaneewan Akharawikrai	69,530,000	6.59
Ms. Phakchathita Mahawong	4,908,000	0.47
Mr. Surasak Chanthaphan	4,090,000	0.39
Mr. Watcharakorn Pischuanchom	3,272,000	0.31

However, Ms. Pakchathita Mahawong, Mr. Surasak Chantaphan and Mr. Watcharakorn Pischuanchommisak are relatives of Ms. Ratchanewan Akkharavikrai and represent Ms. Ratchanewan Akkaravikrai in holding shares in Mitsu including It is a person who acts together (concert party) as well.

Mitsu is not considered a connected person according to the Notification of the Capital Market Supervisory Board No. Tor Chor. 21/2551 of the connected regulations on August 31, 2008 (including amendments) and has notified the Board of Governors of the Stock Exchanged of Thailand. Re: Disclosure of Information and Operations of Listed Companies in Connected Transactions 2003 dated on November 19, 2003 (including amendments).



The benefits and impacts of the Entire Business Transfer of Mitsu are detailed in Attachment 2. In the event that Mitsu's capital increase shares cannot be allocated, the entire business of Mitsu will not be accepted, and the Company will lose the opportunity to receive the stated benefit.

2) The criteria for allotment of ordinary shares of Private Placement

Share allotment of Private Placement to Mitsu for payment of EBT.

Mitsu is not considered as connected person under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 re: Rules on Connected Transactions dated 31 August 2008 (including amendments) and Re: Disclosure of Information and other acts of listed companies concerning the connected transactions in 2003 dated November 19, 2003 (including amendments). The offering price of a newly issued shares as stated above does not constitute and offered a newly issued share at a low price. Due to the fact that the price is not less than 90% of the weighted average trading price of the Company's shares. Within the Stock Exchange of Thailand, 15 days before the date of the Board's resolution (calculated from the market price between November 4, 2020 and November 24, 2020, which is 21.06 baht per share, as of 90 percent of the weighted average price of 18.95 baht per share). Therefore, the issuance and offering of newly issued ordinary shares to a specific individuals must be approved by the shareholders' meeting with a vote of not less than three quarters of the total numbers of voters who has attended the meeting.

However, if on the date of offering shares with the offering price of 22.00 bath per share allocated to Mitsu is lower than 90% of the market price calculated on the offering date (7-15 consecutive business day's weighted average price prior to the initial offering date). Mitsu or Mitsu's shareholders (in the case of Mitsu liquidation in accordance to the statutory transfer requirements) will be prohibited to sell the company's shares allocated for a period of 1 year from the date that the shares begin to trade on the stock exchange. After the completion of 6 months, the shares can be gradually sold for 25% of the silent period, by all such shares have to be deposited with the company of Thailand Securities Depository Company Limited ("TSD").

3) The objectives of the allotment of ordinary shares of Private Placement and plans to allocate cash

The Company will conduct the private placement to Mitsu in exchange for the EBT on the purpose of increasing the shareholding ratios in the project as it will yield benefits appropriate to the investment risks, referring to the information memorandum regarding the acquisition of assets for consideration. Moreover, Mitsu, who is proficient in project management coordinating with the Company to increase the efficiency in business operation, including funding the project.



4) The effects to the existing shareholders after capital increase with private placement allotment

The effects to company's shareholders after capital increase including Control Dilution, Price Dilution, and Earnings per Share Dilution. The details can be divided into 3 cases as follows:

a. Control Dilution

$$\begin{aligned} &= (\text{Total offering shares to Mitsu} / (\text{Existing Paid-up Shares} + \text{Total Offering Shares})) \\ &= (81,800,000 / (973,990,000 + 81,800,000)) \\ &= 7.75 \text{ percent} \end{aligned}$$

b. Price Dilution

$$\begin{aligned} &= (\text{Market Price Before Offering} - \text{Market Price After Offering}) / \text{Market Price Before Offering} \\ &= (21.06 - 21.12) / 21.06 \\ &= \text{No Price Dilution} \end{aligned}$$

The market price after the offering is calculated from

$$\begin{aligned} &= ((\text{Market Price before Offering} \times \text{Existing Paid-up Shares}) + (\text{Offering Price to Mitsu} \times \text{Total Offering Ordinary Shares to Mitsu})) / (\text{Existing Paid-up Shares} + \text{Total Offering Share to Mitsu}) \\ &= ((21.06 \times 973,990,000) + (22.00 \times 71,600,000)) / (973,990,000 + 71,600,000) \\ &= 21.13 \text{ Baht/Share} \end{aligned}$$

Remark: The market price before the offering will be considered based on Weighted Average Price of at the past 15 consecutive days prior to date of board's meeting no. 10/ 2020 date 25 November 2020 during 4 November 2020 - 24 November 2020 (Information from SET Website, www.set.co.th), which shall be equal to 21.06 Baht per share.



c. Earnings per Share Dilution (EPS Dilution)

$$= \frac{\text{EPS Before Offering} - \text{EPS After Offering}}{\text{EPS Before Offering}}$$
$$= \frac{2.92 - 2.69}{2.92}$$
$$= 7.75 \text{ percent}$$

The EPS after offering will be calculated from

$$= \frac{\text{Net profit of the company}}{\text{Existing Paid-up Shares} + \text{Total Offering Shares which will be allocated to Mitsu}}$$
$$= \frac{2,843,643,000}{973,990,000 + 81,800,000}$$
$$= 2.69 \text{ Baht per share}$$

Remark: EPS before offering and EPS after Offering are calculated from trailing 12 months Net Profits until 30 September 2020, according to the audited or reviewed of consolidated financial statement from certified auditor for financial year ended 31 December 2019 and 30 September 2020.

5) Opinion of the Board of Directors of the Company

The Board of Directors has agreed to this acquisition of Mitsu's entire business with the objective of increasing its stake in the project because the project has a reasonable rate of return with investment risks and to increase the flexibility in management and development of financing in the project effectively and increase the scope of the company's capabilities, in the development of the project with an opinion in details as follows:

1. Reasons and necessity to increase capital

Share allotment in the amount of not exceeding 81,800,000 shares with a par value of THB 1.00 each, offered to Mitsu with value of THB 22.00 per share, and is made for the payment of the entire business transfer pursuant to the entire business transfer agreement. This entire business transfer will benefit the Company as detailed in information memorandum on asset acquisition of the Company (per the Attachment 2).



The determination; i.e. numbers and value of share, resulted from the negotiation between the Company and Mitsu, of which the total value of the business is approximate to the value of the share allotment, offered to Mitsu that does not exceed 1,799,600,000 million baht (81,800,000 shares x 22.00 baht). The valuation is based on the Income Approach method per the value of 400,000 ordinary shares in SET Energy. The Company calculated based on free cash flow to equity (“FCFE”) in accordance with the assumption in Item 1.6 of the information memorandum of asset acquisition of the Company.

However, the purpose of share allotment made for the entire business transfer is to increase the shareholding ratio in the project as detailed in information memorandum on asset acquisition of the Company (per the Attachment 2). Since the Project has the return rate appropriate to its risks, the Project IRR is expected to be 6.6 - 8.8% and the equity IRR is expected to be 11.8 – 14.1%, which is higher than the Company’s minimum return on equity at 10%, the Company, therefore, expects this opportunity to increase revenue and cash flow, gain higher revenue and profits, and increase the efficiency in management over SET energy as the Company will have more control power over SET Energy as a result from the increased shareholding ratio. Nonetheless, Project IRR and Equity IRR may be subject to change due to the size of funding and terms and conditions of the lenders.

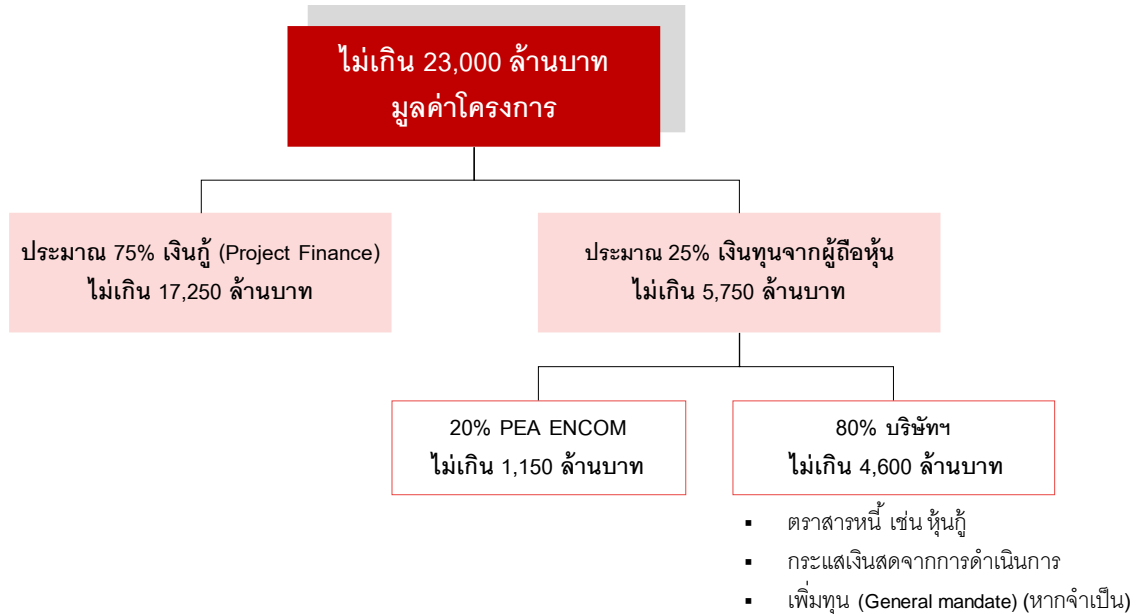
2. The feasibility plan of the use of capital increase in the solar farm project in the event the project has a comment on the feasibility on the project for implementation, including the current status and progress of the project (if applicable).

There will be no use of the capital increase since the capital increase of ordinary share transaction is for the payment of the acceptance of entire business transfer from Mitsu, which is clear and can actually be executed after the company received an approval from the shareholders' meeting.

After the allocation of the newly issued shares and the company has received the entire transactopm, the company will have 80% stake in SET Energy. The SET Energy will invest in the project according to the the details in the information memorandum on the acquisition f assets of the company (attachment 2). The company expects to investment in the solar farm project shall not exceed THB 23,000 million by 2026 (excluding interest during the construction). Set Energy will provide project financing loan at a debt-to-equity ratio (D: E) of 3: 1 or no more than 17,250 million baht as well as of the capital from shareholders (Equity) of not exceeding 5,750 million baht. Therefore, the company as shareholder in SET Energy at 80 percent after the entire business transfer will have an investment of not exceed THB 4,600 million, which will be a gradual investment from 2021 - 2025 according to the preliminary investment plan.



The Project Finance is expected to be feasible because it is a normal financing model for power plant projects. From the company experience of finding the project finance of 36 solar farms, the current project is able to obtain a loan from Project Finance. In which within the present days, the Company is in the process of negotiating with financial institutions.



The company will have to spend a total investment of not more than 4,600 million baht, which will be a gradually invest from 2021 - 2025, the company will consider issuing debt instruments such as issuing debentures in the amount that does not exceed 5,000 million baht. The excess may be used for liquidity management, interest payment including the repayment of the previous debentures and may consider using the operating cash flow of the company in the future, in case of necessity such as unable to issue debentures in time for the construction of the project, the company may consider increasing capital by a general mandate.

The above offering of bonds is in the amount approved by the 2020 Annual General Meeting of Shareholders that does not exceed 10,000 million baht, which still have the remaining balance of THB 10,000 million. From the consolidated financial statements for the nine-month period ended September 30, 2020, the assumption on the debt will be increased by 22,250 million baht, consisting of project finance at SET Energy of 17,250 million baht and debentures at the Company of 5,000 million baht. The net debt to equity ratio will be 1.49 times, which is 3.00 times lower than the Company's current bond requirements.

However, if necessary, the Company may consider the capital increase under a general mandate.



3. The reasonableness of the capital increase, action plan and solar project, including the adequacy of funding in the event that the proceeds from capital increase is not covering the entire budget required to implement in the solar farm projects

The allocation of 81,800,000 newly issued ordinary shares with a par value of 1.00 baht per share, with an offering price of 22.00 baht per share, which is fulfilled in accordance with the conditions for payment of Mitsu's Entire Business Transfer under the Business Transfer Agreement.

In addition, for financing as per the detailed in item 2. the Board of Directors have the opinion that SET Energy's project finance is appropriate due to Project Finance has low financial costs compared to other financing methods. The repayment of principal and interest of Project Finance loans will be dealt with with a financial institution in accordance with the project's cash flow with a 3: 1 debt-to-equity ratio will help reduce the cost of the company as a shareholder of SET Energy and help increase the return for the company. In addition, the cost of funds of Project Finance is expected to be lower than the rate of return in the project (Project IRR), which is approximately 6.6% - 8.8%. Moreover, the company still has a low current debt-to-equity ratio, as a result, after investing in the project, the Company can still maintain the Net Debt to Equity Ratio at 3.00 times, which is lower than the requirement of the Company's current debentures and enough to pay off the increased debt.

However, the above funding schemes are comprehensive enough for the development of the project. If necessary, the company may consider the capital increase under a general mandate.

4. Expected effects to the Company's business operations as well as financial status and the performance of the company from the capital increase and implementation of the project finance in solar farm project

The Company will have a higher stake in SET Energy up to 80% from 40%. SET Energy will change its status to a subsidiary of the company. The company will have controlling power to SET Energy and recognize higher revenues and net profits. When the operations have reached 500 megawatts, the company expects that it will be able to increase the revenue of the company approximately 2,500 million baht.



5. Appropriateness of the price of the newly issued shares for private placement allotment

The offering price of 22.00 baht per share is in accordance with the conditions resulting from negotiations with Mitsu, in which the total value of the acquired business is close to the value of the newly issued ordinary shares allocated to Mitsu, which does not exceed THB 1,799,600,000 baht (81,800,000 shares x 22.00 baht) is based on the income approach of 400,000 ordinary shares in SET Energy, which is an asset acquired from the EBT. For The evaluation of SET Energy by the Company, which evaluated from Free Cash Flow to Equity (FCFE) based on the assumptions shown in Clause 1.6 of the Information Memorandum on Acquisition of Assets of the Company. (Enclosure 2)

The accepting of the entire business transfer have the purpose to increase the shareholding percentage in the solar farm project. In this projec has a rate of return suitable for the investment risks. The Company expects the return of the Project (Project IRR) to be approximately 6.6% - 8.8% and the Equity IRR is approximately 11.8 - 14.1%, which is higher than the minimum return to shareholders of the Company of 10%. The Company expects to help increase the Company's revenue and cash flow potential, recognize higher revenues and profits from higher shareholding percentage, the flexibility in management and development as a result of the controlling power in SET Energy, increase the capabilities of the company in the development of solar farm project. However, the project return (Project IRR) and return on equity (Equity IRR) may be subject to change depend on the size of funding, terms and conditions of the loan.

The offering price at 22.00 baht per share is a reasonable price because it is in accordance with the condition of the business transfer transaction and in line with the negotiations with Mitsu, which the transfer of business will benefit the Company. The details of the above are shown in the Information Memorandum on the Acquisition of Assets of the Company (Enclosure 2). In addition, the offering price of 22.00 baht per share is a higher offering price than the weighted average market price of the company's shares in the Stock Exchange of Thailand for 15 trading days before the date of the Board's resolution, which held on Wednesday 25 November 2020 (calculated from the market price between November 4, 2020 to November 24, 2020, which is equal to 21.06 baht per share) and higher than the market price of SPCG shares in the Stock Exchange of Thailand 1 year prior to the date the Board of Directors resolves.



6. Background of the determination of the offering price and Board of Directors' opinion on the appropriateness of the offering price.

The offering price is 22.00 baht per share, in accordance with the consideration and negotiation between the Company and Mitsu, where the appropriateness of the price is per the detailed in item 5.

7. Rationale and necessity of private placement allotment

The allocation of 81,800,000 newly issued shares with a par value of Baht 1.00 per share, offering price of Baht 22.00 per share, is the payment of the acceptance of Mitsu Entire Business Transfer under the EBT agreement.

6) Certification of the Board of Directors regarding the capital increase

The Board of Directors of the Company hereby certified that the Board of Directors have performed in good faith and with care to maintain interests of the Company regarding the capital increase. Nonetheless, in case any acts by the Board of Directors cause damages to the Company, the shareholder(s) may take a legal action to claim compensation from such director(s) on behalf of the Company pursuant to Section 85 of Public Limited Company Act B.E. 2535 (including amendments). Also, if any acts by the Board of Directors cause the director or related person wrongfully gain benefit, the shareholder(s) may take a legal action to claim compensation from such director(s) on behalf of the Company pursuant to Section 89/18 of Security and Exchange Act B.E. 2535 (including amendments). The Board of Directors hereby certified that the Board of Directors will perform the due diligence with care on the private place offered to such person, whether the person is capable of the said investment with the Company.

Best Regards,

A handwritten signature in blue ink, appearing to be "Dr. Wandee Khunchornyakong Juljarern", written in a cursive style.

(Dr. Wandee Khunchornyakong Juljarern)
Chief Executive Officer