

**INFORMATION MEMORANDUM**  
**ON**  
**THE ACQUISITION AND DISPOSAL SHARES OF THAI SOLAR ENERGY**  
**PUBLIC COMPANY LIMITED**

**WAVE**  
**ENTERTAINMENT**

**WAVE ENTERTAINMENT PUBLIC COMPANY LIMITED**

**Information Memorandum regarding the acquisition and disposal of shares in  
Thai Solar Energy Public Company Limited  
of  
Wave Entertainment Public Company Limited**

In regards to the Thai Solar Energy Public Company (“TSE”), an Associated Company of Wave Entertainment Public Company Limited (“Company”), increase of additional registered capital of 450 million shares at Baht 1 par value, for a total of Baht 450 million through the initial public offering (“IPO”), will cause the Company’s shareholding in TSE drop 6.2% from 25% to 18.8% of TSE’s registered capital. This transaction is considered as disposal of assets under the Notification of Capital Market Supervisory Board No. Tor. Jor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets B.E. 2547 (2004) dated 29 August 2004 (“Acquisition and Disposal of Assets Notifications”)

The Company’s Board of Directors’ Meeting No. 5/2014 held on 14 August 2014 has resolved to approve the Company to acquire an additional 22 million shares, 1.2% of TSE’s registered capital or 4.9% of TSE’s IPO shares. Upon such acquisition, the Company’s holding in TSE would rise from 341.25 million shares to 363.25 million shares, representing 20% of its total registered capital after IPO. This transaction is considered an acquisition of assets under the Acquisition and Disposal of Assets Notifications.

The above mentioned acquisition and disposal of TSE’s shares is valued at 33.12% under the net profit method, which takes the highest value among all calculation methods; as such it is classified as a Type 2 disposal of assets in pursuance to the Acquisition and Disposal of Assets Notifications Code. Therefore, the Company is required to:

- (1) disclose information regarding the acquisition or disposal of assets of the Company to the Stock Exchange of Thailand (the “SET”), and
- (2) notify the information to all shareholders within 21 days after disclosure to SET

Moreover, the acquisition of TSE shares is deemed a connected transaction in pursuance to the Notification of the Capital Market Supervisory Commission No. Tor Jor. 21/2551 dated 31 August 2008 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the SET Re: Disclosure of Information of Listed Company concerning the connected transactions B.E. 2546 dated 19 November 2003 for transaction sizes exceeding Baht 20 million or 3% of the Company’s net tangible assets. However, the Securities and Exchange Act B.E. 2535 section 89/12 states that “Directors or related persons can perform a transaction with the company or its subsidiaries only if such approval is granted from the company’s shareholders, unless such transaction falls into any of the following categories: (1) the transaction is conducted at an arms-length as it would normally be among third parties under the same circumstance without receiving special consideration from managerial position, directorship or related party status, and that such transaction is well within the predefined authority and within the principles granted by the Board of Directors.” Therefore such transaction is deemed to comply with the Securities and Exchange Act B.E. 2535 section 89/12 (1) which is exempted from having to attain approval from shareholders’ meetings.

The directors who are considered connected persons and/or having conflict of interests, were neither present nor voted for this agenda.

Material information of the mentioned TSE stocks has the following details:

**1. Date/ Month/ Year of the transaction**

The Company will dispose and acquire additional TSE shares at the same period of TSE's IPO, pending on The Securities and Exchange Commission approval on TSE IPO

**2. Parties involved and the relation with the listed company**

Purchaser : Wave Entertainment Public Company Limited  
Seller : Thai Solar Energy Public Company Limited  
Relation with the listed company: TSE is the Associated Company

**3. General details of the transaction**

TSE, an associated company, increases its registered capital through an IPO at an additional 450 million shares at THB 1 par value for a total value of Baht 450 million. The IPO will cause the Company's shareholding in TSE drop 6.2% from 25% to 18.8% of TSE's registered capital. The Company will acquire an additional 22 million shares of TSE, or 4.9% of IPO shares at the offered price. Such acquisition will result in the Company's TSE holding of 363.25 million shares, up from 341.25 million shares, representing 20% of TSE total registered capital after IPO.

Calculation of the transaction size is based on the consolidated financial statements of the Company and TSE as at 30 June 2014 has been reviewed by a Certified Public Accountant. Details of the calculation are summarized below:

**Acquisition**

**1. Net tangible assets method**

$$\begin{aligned} \text{Transaction Size} &= \frac{\text{Net tangible asset of TSE} \times \% \text{ of additional shares acquired}}{\text{Net tangible asset of the Company}} \times 100 \\ &= \frac{1,647.18 \text{ MB} \times 1.2\%}{(235.72) \text{ MB}} \times 100 \\ &= \text{N.A.} \end{aligned}$$

**2. Net profit method**

$$\begin{aligned} \text{Transaction Size} &= \frac{\text{Net profit of TSE} \times \% \text{ of additional shares acquired}}{\text{Net profit of the Company}} \times 100 \\ &= \frac{648.06 \text{ MB} \times 1.2\%}{121.30 \text{ MB}} \times 100 \\ &= 6.41\% \end{aligned}$$

**3. Consideration method**

$$\begin{aligned} \text{Transaction Size} &= \frac{\text{TSE's Book Value} \times \text{additional shares acquired}}{\text{Total assets of the Company}} \times 100 \\ &= \frac{1.35 \text{ Baht} \times 22 \text{ million shares}}{1,795.61 \text{ MB}} \times 100 \\ &= 1.65\% \end{aligned}$$

*Note: as there is a lack of TSE IPO offer price, the calculation uses TSE share price at book value to arrive at the value under Consideration Method. This value will be recalculated with the actual IPO price once acquired and will be notified accordingly.*

#### 4. Value of newly issued shares as consideration method

Not applicable because the Company did not issue new shares in exchange of any consideration.

### Disposal

#### 1. Net tangible assets method

$$\begin{aligned} \text{Transaction Size} &= \frac{\text{Net tangible asset of TSE x \% of disposed shares}}{\text{Net tangible asset of the Company}} \times 100 \\ &= \frac{1,647.18 \text{ MB x } 6.2\%}{(235.72) \text{ MB}} \times 100 \\ &= \text{N.A.} \end{aligned}$$

#### 2. Net profit method

$$\begin{aligned} \text{Transaction Size} &= \frac{\text{Net profit of TSE x \% of disposed shares}}{\text{Net profit of the Company}} \times 100 \\ &= \frac{648.06 \text{ MB x } 6.2\%}{121.30 \text{ MB}} \times 100 \\ &= 33.12\% \end{aligned}$$

#### 3. Consideration method

$$\begin{aligned} \text{Transaction Size} &= \frac{\text{TSE's Book Value x equivalent no. of diluted shares}}{\text{Total assets of the Company}} \times 100 \\ &= \frac{1.35 \text{ Baht x } 112.50 \text{ million shares}}{1,795.61 \text{ MB}} \times 100 \\ &= 8.46\% \end{aligned}$$

#### 4. Value of newly issued shares as consideration method

Not be able to calculate because the Company did not issue any new shares as consideration of the acquisition.

The Acquisition and Disposal of Assets Notifications requires that the highest value of the transaction size calculated using the above methods be applied. The highest value of the transaction size equals 33.12%, which is calculated based on the net profit method. Therefore, the transaction is categorized as a Type 2 disposal transaction.

#### 4. Details of assets acquired

<b>Assets to be acquired</b>	22,000,000 shares or 4.9% of TSE's IPO shares																																						
<b>General information of the assets acquired</b>																																							
1. Company Registration Name:	Thai Solar Energy Public Limited																																						
2. Date of registration	7 July 2008																																						
3. Company Registration No.	0107557000055																																						
4. Head Office	3199 Maleenont Tower, 16 <sup>th</sup> Floor, Rama IV Road, Klongton, Klongtoey, Bangkok																																						
5. Registered Capital	As of 30 June 2014, Baht 1,815,000,000																																						
6. Paid-Up Capital	As of 30 June 2014, Baht 1,365,000,000																																						
7. Type of Business	Production and distribution of generating electricity from sun radiation																																						
8. Board of Directors	As of 30 April 2014, consists of 10 directors as follows: 1) Ms.Cathleen Maleenont      2) Mr.Prommin Lertsuridej 3) Mr.Somsak Woravijak      4) Mr.Vic Kichodhan 5) Mr.Matthew Kichodhan      6) Mr.Pala sookawesh 7) Mrs.Siripen Sitasuwan      8) Mr.Prasan Chuaphanich 9) Mr.Booncho Direksataporn   10) Mr.Somphop Prompanapitak																																						
9. Shareholders	List of shareholders as at 18 February 2014 are as follows: <table border="1"> <thead> <tr> <th></th> <th><u>Name of the shareholder</u></th> <th><u>No. of shares</u></th> <th><u>%</u></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>P.M Energy Co., Ltd. <sup>1/</sup></td> <td>776,746,810</td> <td>56.90</td> </tr> <tr> <td>2</td> <td>Wave Entertainment Plc.</td> <td>341,250,000</td> <td>25.00</td> </tr> <tr> <td>3</td> <td>Key Essential Oversea Co., Ltd.</td> <td>84,000,000</td> <td>6.15</td> </tr> <tr> <td>4</td> <td>Others</td> <td><u>163,003,190</u></td> <td><u>11.95</u></td> </tr> <tr> <td></td> <td><b>Total</b></td> <td><b>1,365,000,000</b></td> <td><b>100.00</b></td> </tr> </tbody> </table> <i>Remarks:</i> <sup>1/</sup> Dr. Cathleen Maleenont is a major shareholder with a 100% shareholding in PM Energy Co., Ltd..				<u>Name of the shareholder</u>	<u>No. of shares</u>	<u>%</u>	1	P.M Energy Co., Ltd. <sup>1/</sup>	776,746,810	56.90	2	Wave Entertainment Plc.	341,250,000	25.00	3	Key Essential Oversea Co., Ltd.	84,000,000	6.15	4	Others	<u>163,003,190</u>	<u>11.95</u>		<b>Total</b>	<b>1,365,000,000</b>	<b>100.00</b>												
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10. Material financial information	Summary of financial status and performance, for the period ending 31 December of 2012, 2013 and 30 June 2014 are as follows: <table border="1"> <thead> <tr> <th>in Million Baht</th> <th><b>2012<sup>1/</sup></b></th> <th><b>2013<sup>1/</sup></b></th> <th><b>1H/2014<sup>1/</sup></b></th> </tr> </thead> <tbody> <tr> <td>Total asset<sup>2/</sup></td> <td>5,242.60</td> <td>5,304.82</td> <td>5,794.83</td> </tr> <tr> <td>Total liabilities<sup>2/</sup></td> <td>4,480.22</td> <td>4,372.09</td> <td>3,957.02</td> </tr> <tr> <td>Total equity<sup>2/</sup></td> <td>762.37</td> <td>932.73</td> <td>1,837.81</td> </tr> <tr> <td>Total revenue</td> <td>19.23</td> <td>607.35</td> <td>855.88</td> </tr> <tr> <td>Cost of sale</td> <td>39.07</td> <td>80.42</td> <td>85.88</td> </tr> <tr> <td>SG&amp;A</td> <td>39.12</td> <td>107.87</td> <td>45.12</td> </tr> <tr> <td>Income tax expenses</td> <td>37.39</td> <td>142.30</td> <td>2.40</td> </tr> <tr> <td>Profit for period (loss)</td> <td>(102.34)</td> <td>(15.62)</td> <td>648.06</td> </tr> </tbody> </table> <i>Remarks:</i> <sup>1/</sup> The financial statements of year 2012 – 2013 and 6 months period as of 30 June 2014 were audited and verified by Ms, Siraporn Euaanankul the Certified Public Accountant of E Y Co., Ltd. <sup>2/</sup> These financial items were restated in the financial statements of year 2012			in Million Baht	<b>2012<sup>1/</sup></b>	<b>2013<sup>1/</sup></b>	<b>1H/2014<sup>1/</sup></b>	Total asset <sup>2/</sup>	5,242.60	5,304.82	5,794.83	Total liabilities <sup>2/</sup>	4,480.22	4,372.09	3,957.02	Total equity <sup>2/</sup>	762.37	932.73	1,837.81	Total revenue	19.23	607.35	855.88	Cost of sale	39.07	80.42	85.88	SG&A	39.12	107.87	45.12	Income tax expenses	37.39	142.30	2.40	Profit for period (loss)	(102.34)	(15.62)	648.06
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## **5. Value of consideration**

The acquisition and disposal of the TSE stocks is in line with the IPO whereby the Company does not receive any special consideration other than the appreciation of TSE share value in the MAI. The Company will pay for the TSE stocks with cash at the value determined as multiple of the acquired 22 million shares by TSE IPO price.

## **6. Value of assets acquired**

The assets acquired from this transaction is the 22 million TSE IPO shares, a 4.9% of the IPO offer, which will result in the final holding of 363.25 million shares, or 20% of TSE total issued and registered capitals after IPO. Since the actual TSE IPO price remains unknown at this time, the Company is unable to determine the value of the assets to be acquired. As an alternative, calculation using the current book value of the TSE shares yields a THB 29.7 million investment value.

## **7. Basis used to determine the value of consideration**

The value of consideration is determined based on additional shares to be acquired at the initial public offering price.

## **8. Expected benefits**

The Company anticipates that the benefits of such additional shares acquisition are as follows:

1. Dividend from TSE operational profit
2. Capital gain from sales of assets at a price higher than acquisition cost
3. Book value gain from the consolidation of TSE operation under the equity method

## **9. Sources of fund**

The sources of fund for this transaction are from operating cash flow of the Company and loan from financial institutions.

## **10. Conditions of the entry into the transaction**

Since this transaction is considered a Type 2 disposal of assets pursuant to the Acquisition and Disposal of Assets Notifications, the Company shall have the following duties:

1. to disclose the information memorandum to the SET in respect of the entry into such transaction;
2. to notify the information to all shareholders within 21 days after disclosure to the SET

## **11. Entry into transaction with a connected person holding at least 10 percent of the total shares of the Company with voting rights**

Dr. Cathleen Maleenout is a director and major shareholder with a 12.8% shareholding in the Company as at 26 March 2014. She is also a director and major shareholder with a 100% shareholding in PM Energy Co., Ltd. which holds 56.9% stake in TSE as at 18 February 2014.

Mr. Matthew Kichodhan, husband of Dr. Cathleen Maleenont, is currently a director and management of the Company. He is also a director and holding 0.4% of TSE shares as at 18 February 2014.

## **12. Opinion of the Board of Directors on the entry into the transaction**

The Board of Directors' Meeting No. 5/2014 of the Company, held on 14 August 2014, has resolved to approve the acquisition and disposal transaction and purchase of 22 million TSE IPO shares at the IPO price as such transactions are considered reasonable, fair and beneficial to the Company and the shareholders on the following reasons:

1. The 2014 annual shareholder meeting of TSE held on 30 April 2014 has resolved to allot to the Company the IPO shares not to exceed 22 million shares or 4.9% of its newly registered capital at IPO price.
2. The Board of Directors had been informed of the TSE's IPO recapitalization plan via a listing in MAI and has thus approved in principal of the acquisition and disposal on such transaction in the Board of Directors' meeting No. 4/2014 held on 14 May 2014.
3. The newly acquired 22 million shares accounts for 1.2% of total registered and paid-up capital after IPO, resulting in the Company's final shareholding in TSE of 20% which is within the pre-IPO holding of 25%.
4. This acquisition transaction is conducted with a fair price which is the same as that offered to the general public, IPO price.
5. The Company's management control of TSE has neither been impaired nor changed as there remains the same number of representative directors in TSE.

Moreover, the acquisition of TSE shares is deemed a connected transaction in pursuance to the Notification of the Capital Market Supervisory Commission No. Tor Jor. 21/2551 dated 31 August 2008 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the SET Re: Disclosure of Information of Listed Company concerning the connected transactions B.E. 2546 dated 19 November 2003 for transaction sizes exceeding Baht 20 million or 3% of the Company's net tangible assets. However, the Securities and Exchange Act B.E. 2535 section 89/12 states that "Directors or related persons can perform a transaction with the company or its subsidiaries only if such approval is granted from the company's shareholders, unless such transaction falls into any of the following categories: (1) the transaction is conducted at an arms-length as it would normally be among third parties under the same circumstance without receiving special consideration from managerial position, directorship or related party status, and that such transaction is well within the predefined authority and within the principles granted by the Board of Directors." Therefore such transaction is deemed to comply with the Securities and Exchange Act B.E. 2535 section 89/12 (1) which is exempted from having to attain approval from shareholders' meetings.

The aforementioned directors who are considered as connected persons and/or having conflict of interests were neither present at the Meeting during this agenda nor voted for this agenda.

## **13. Opinion of the Audit Committee and/or the director(s) of the Company which is different from the Board of Directors' opinion under Clause 12**

None of the directors and/or the Audit Committee had a different opinion from that of the Board of Directors of the Company in the Board of Directors' Meeting No. 5/2014, held on 14 August 2014.

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