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NO. (SUTHA-SET) 019/2019/EN

18 October 2019

Regarding: Notification of the Connected Transaction in EPC Contract of the Solar Farm Project

To: The President of the Stock Exchange of Thailand

Enclosure: 1. Information about the Connected Transaction

According to the Board of Directors' Meeting no. 3/2019, held on 14 May 2019 at 3 p.m. has approved to sign the Letter of Intent ("LOI") / Memorandum of Understanding ("MOU") with Christiani & Nielsen Energy Solutions ("CNES") provides to the Company services related to the design, shortlisting and selection of suppliers, the obtaining of necessary approvals and services related to the erection of a Solar Farm with a 2-2.5 MW capacity. The electricity to be produced by the Solar Farm will be used in the production process at the Company's Chongsalika Plant located at No. 7, Soi 11, Line 3, Moo 12, Saraburi-Lom Sak Road, Chong Sarika Sub-District, Phatthana Nikhom District, Lopburi Province. More specifically:

The Board of Director has approved to sign the Letter of Intent ("LOI") / Memorandum of Understanding ("MOU") with CNES who is the subsidiary of Christiani & Niesen (Thailand) Public Company Limited ("CNT") and the Company has a common Director and indirect major Shareholder with CNT. Under the terms of the LOI, CNES will provide services related to the design, shortlisting and selection of suppliers and the obtaining of the necessary approvals and services related to the erection of a Solar Farm with a 2-2.5 MW capacity. CNES has submitted the best techno-commercial offer for the 2MW Solar Farm Project. Before the EPC contract signing, the realization of the Solar Farm Project is dependent upon the successful receipt of the following conditions

- BOI privileges
- Credit facility from a financial institution
- All other permits necessary to build and operate the Solar Farm to produce electricity

The Board of Directors authorized Mr. Krishnan Subramanian Aylur and Mr. Geza Emil Perlaki to sign in terms of negotiation and to sign the Engineering Procurement Construction agreement ("EPC") with CNES, amounting to THB 13.94 million when successful completion of above listed conditions precedents by letting the Company sign EPC agreements with CNES and other sub-contractors that were procured and selected by CNES. Although the agreement value with the contractor and the sub-contractors (CNES and other sub-contractors that CNES manages) is below THB 50 million, the Management is seeking Board of Directors to consider approval as the total aggregate amount of the project is more than THB 50 million.

On 18 October 2019, the Company has proceeded to follow the above conditions nearly succeed, the Board of Directors Meeting no.3/2019, held on 14 May 2019 has approved the Company to sign the EPC Contract with CNES total amount to THB 13.94 million when LOI conditions are succeeded. This is considered as the connected transaction in accordance with the Notification of Capital Market Supervisory Board No.TorChor.21/2551 Re: Rule on Connected Transactions.. The size of transactions totaling to 2.77 percent. The said transaction is over THB 1 million but less than THB 20 million and the size of transaction is less than 3 percent of the net tangible assets (NTA=1,386.50-32.97-850.45=503.08) follows the financial statements ended of 30 June 2019. During the six-month period, the Board of Directors did not approve any additional connected transactions. The said transaction was approved by the Board of Directors and shall be disclosed to the Stock Exchange of Thailand.as set out in **Enclosure 1**.



Please kindly be informed accordingly.

Yours faithfully,



Mr. Geza Emil Perlaki
Managing Director



**Information on the Connected Transaction: Entering into Engineering Procurement
Construction Agreements
("EPC Contract")
Golden Lime Public Company Limited**

1. Transaction Date:

The Company's Board of Directors' Meeting no.3/2019 which held on 14 May 2019 approved the Company to sign the Letter of Intent ("LOI") / Memorandum of Understanding ("MOU") of the service agreement for the Solar Farm Project by empowering the authorized directors to sign the Engineering Procurement Construction agreement ("EPC") when the agreement conditions are succeeded. Now, all of the agreement's conditions are fulfilled, the authorized directors signed the EPC contract completed on 18 October 2019.

2. Transaction Period:

This new service contract will be effective if the conditions described below are approved by the relevant authorities.

- 2.1 BOI privileges
- 2.2 Credit facility from a financial institution
- 2.3 All other permits necessary to build and operate Solar Farm to produce electricity

3. Parties Involved:

- Services Provider EPC: Christiani & Nielsen Energy Solutions ("CNES")
the subsidiary of Christiani & Nielsen (Thailand) Public Company Limited
("CNT")
- Services Recipient EPC: Golden Lime Public Company Limited

4. The Relationship and Interest of Connected Person:

A major Shareholder of the Company is CE Lime (Thailand) Limited and CNT shares a common Director - Mr.Ishaan Shah and shares an indirect major Shareholder Ms.Nishita Shah

5. General Characteristics of the Transaction:

This connected transaction is a transaction with CNES in which CNES will provide services related to the design, shortlisting and selection of suppliers, obtaining necessary approvals and providing services related to the erection of a Solar Farm with a 2-2.5 MW capacity. The electricity produced shall be used in the production process at the Company's Chongsalika Plant, No. 7, Soi 11, Line 3, Moo 12, Saraburi-Lom Sak Road, Chong Sarika Sub-District, Phatthana Nikhom District, Lopburi Province.

6. Total Value of the Transaction and Criteria for Total Value Determination

Initially, the Company considers the value of the transaction size (dependent on the execution of the EPC Contract) in the amount of THB 13.94 million. Such value does not include taxes.

The transaction size is more than THB 1 million but less than THB 20 million. The transaction size less than 3 percent of net tangible asset value, amounting to **2.77** percent of the net tangible assets according to the Company's financial statements as of 30 June 2019 ($13.94 / (1,386.50 - 32.97 - 850.45 = 503.08) = 2.77\%$). During the six-month period, the Board of Directors did not approve any additional connected transactions. Therefore, the said transaction is over THB 1 million but less than THB 20 million and the size of transaction is less than 3 percent of the net tangible assets which requires approval from the Board of Directors and shall be disclosed to the Stock Exchange of Thailand.



The EPC agreement's condition required the contract parties to control budgetary of the said investment project as follows;

- Total value of contract with the contractor	THB 13.94 million
- Total value of contract with the sub-contractors who are unrelated to the Company as follows;	
- Installation costs	THB 9.58 million
- Imported equipment	THB 19.37 million
- Domestic /local equipment	<u>THB 15.11 million</u>
Total budgetary control of EPC Contract	THB 58.00 million

7. The Opinion of the Board of Directors:

In consideration of entering into the said agreement by the Board of Directors Meeting No. 3/2019 on 14 May 2019 has approved the Company to sign the Letter of Intent (“LOI”) / Memorandum of Understanding (“MOU and empowered the authorized directors to sign the Engineering Procurement Construction agreement (“EPC”). In the said meeting, the Director with a potential conflict of interest Ms.Nishita Shah - one of the Directors and being as the indirect major Shareholder and has a relationship as a sister of Mr.Ishaan Shah, abstained from voting on this agenda point.

The Directors who did not have a conflict of interest considered the connected transaction and have an opinion that the transaction is appropriate and beneficial to the Company. CNES is the best supplier of commercial proposals for the 2 MW Solar Farm Project. The Solar Farm Project is commercially attractive and feasible. The Company will benefit from the use of electrical energy used in the production process, which is low cost.

8. The Opinion of the Company's Audit Committee and/or the Company's Directors which have a difference from the Board of Directors.:

- none -

