

**Information Memorandum on the Provision of Intercompany Loan
between BBGI Public Company Limited and Bangchak Corporation Public Company Limited
and/or Bangchak Treasury Center Company Limited**

1. Information disclosed under 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 Asset B.E. 2 5 4 7 (2004), as disclosed to the Stock Exchange of Thailand on February 16, 2023 and the date at February 17, 2023

Please consider the information as detailed in the following pages of this information memorandum.

**Information Memorandum on the Provision of Intercompany Loan
between BBGI Public Company Limited and Bangchak Corporation Public Company Limited
and/or Bangchak Treasury Center Company Limited**

On February 16, 2023, the Board of Directors' Meeting of BBGI Public Company Limited (the "Company") No. 1/2023 passed a resolution to propose to the shareholders' meeting to consider and approve the provision of intercompany loan between the Company and Bangchak Corporation Public Company Limited and/or Bangchak Treasury Center Company Limited (BCTC) in the amount not exceeding 3,000 million Baht or equivalent with tenor not exceeding 5 years and other conditions in accordance with the specified conditions.

The approval of the provision of intercompany loan between the Company and Bangchak Corporation Public Company Limited and/or Bangchak Treasury Center Company Limited (BCTC) in the amount not exceeding 3,000 million Baht or equivalent is classified as the connected transaction, a transaction of giving and/or receiving financial assistance, since the counterparty of the transaction is an affiliate company of the Company's major shareholder and has the highest transaction size equivalent to fifty-nine percent (59%) under the NTA criteria calculated based on the Company's consolidated financial statements ended on December 31, 2022, which have been audited by the Company's auditor, it is considered as a large connected transaction, for which the Company must disclose information and comply with the rules prescribed by the Notification on Connected Transactions. This includes the appointment of an independent financial advisor to provide opinions on the transaction. In this regard, the aforementioned transaction must be approved by the shareholders' meeting with a vote of not less than three-fourths of the total number of shares of the shareholders attending the meeting and having the right to vote, whereby the votes of the shareholders who have special interests will not be counted.

The information and details of the above connected transaction are as follows:

1. Date of Transaction

The Company would like to approve the provision of the intercompany loan to provide a framework and support for giving or receiving financial assistance within the group company of Bangchak in the future. There is no actual borrowing or lending transaction during the process of seeking approval of the connected transaction.

2. Parties

Borrower and/or Lender

- (1) The Company
- (2) Bangchak Corporation Public Company Limited (BCP)
- (3) Bangchak Treasury Center Company Limited (BCTC)

The counterparties are major shareholders of the Company, with BCP holding forty-five percent (45%) of the Company's shares and BCTC being a wholly-owned (100%) subsidiary of BCP. Therefore, they are considered as connected persons of the Company.

3. General Characteristics, Type, and Size of the Transaction

3.1 General Characteristics

The entry of this transaction is in accordance with the policy of the Bangchak Group in order to increase the efficiency of cash flow management, reduce financial costs, increase returns from financial management and financial cooperation within the Bangchak Group through approval of the intercompany loan to BCP and/or BCTC, which was established to be the center of treasury management of the Bangchak Group.

The provision of intercompany loan within the group company shall be made by way of entering into the intercompany loan agreement in accordance with the following conditions:

(1) Amount of loan between BCP and/or BCTC are as follows:

Unit: million-Baht equivalent

Maximum Facilities At any given moment that the Company can <u>borrow</u> from BCP and/or BCTC combined	Maximum Facilities At any given moment that the Company can <u>lend</u> to BCP and/or BCTC combined
3,000	3,000

Remark: subject to the approval of the loan/lending between the Board of Directors of Bangchak Corporation Public Company Limited

In this regard, the Board of Directors shall be empowered to review and amend the amount and conditions in the future as appropriate. The revised maximum facilities must not exceed the maximum facilities approved at this time, or equivalent to 3,000 million Baht each.

(2) Conditions of the intercompany loan between the Company and BCP and/or BCTC

	Receiving of Financial Assistance (The Company borrows from BCP and/or BCTC)	Providing Financial Assistance (The Company provide loans to BCP and/or BCTC)
Loan Type	Uncommitted Unsecured, and Short-Term Credit Facility	Uncommitted Unsecured, and Short-Term Credit Facility
Loan Currency	Baht or other currencies as agreed	Baht or other currencies as agreed
Payment of Interest	Interest payment on the last banking day of each quarter and/or with the final principal payment	Interest payment on the last banking day of each quarter and/or with the final principal payment
Loan Withdrawal Period	Not exceeding 5 years	Not exceeding 5 years
Each Loan Period	Maximum of not more than 1 year, can be renewed not more than 1 year at a time, for a total period of not more than 5 years	Maximum of not more than 1 year, can be renewed not more than 1 year at a time, for a total period of not more than 5 years
Loan Amount	Up to 3,000 million Baht or equivalent, at any moment, can withdraw once or multiple times (Revolving Basis)	Up to 3,000 million Baht or equivalent, at any moment, can withdraw once or multiple times (Revolving Basis)
Interest Rate	Interest Rate in accordance with the Money Market Rate (MMR**), loan currency, and loan period that the borrower will receive from the financial institution at that time less the discount (not higher than the rate that the borrower will receive from other financial institutions)	Interest Rate in accordance with the Money Market Rate (MMR**), loan currency, and loan period that the borrower will receive from the financial institution at that time less the discount <u>(not less than the cost of capital*)</u>
Prepayment Fee	None	None

Remark : *Cost of capital will be depended on the source of excess cash for the transaction. In case the source of excess cash is from the operation, the cost of capital would be the highest deposit rate which the Company's received from the financial institutions. However, if the source of excess cash is from loan, the cost of capital shall not less than interest rate in which the Company paid to debtor plus other related cost such as FX Swap.

**MMR is a short-term interest rate in which the financial institution offers to the Company for short-term borrowing through the issuance of Promissory Note (P/N). In addition, Most of MMR constructs from government bond yield or policy rate plus credit spread between the corporate bond yield and government bond yield.

With regards to the above criteria of the intercompany loan, the Company will be able to borrow/lend the maximum amount of not more than 3,000 million Baht each or equivalent within a period of 5 years, which can be borrowed/lent revolves around several times. When the debt has been paid, the credit limit can be use again with loan/outstanding loan at any point in time, not exceeding 3,000 million Baht or equivalent (revolving basis), by allowing the Board of Directors to review and amend the amount and conditions in the future as appropriate. The revised maximum facilities must not exceed the maximum facilities approved at this time, or equivalent to 3,000 million Baht each.

In proposing for approval of this transaction to the shareholders' meeting, the Company deems it appropriate to propose to the shareholders' meeting to authorize the President and Chief Executive Officer or equivalent and/or Senior Executive Vice President, Accounting and Finance or the highest position in corporate accounting and finance to be authorized to take the following actions:

- (1) specify details of terms and conditions for the connected loans transactions and perform any other acts related to documents, including taking relevant actions and considering adjusting the conditions in the contract and/or such documents as necessary and appropriate, provided that such change must not be material change. In case there is any change, the management shall present it to the Board of Directors for further acknowledgment.
- (2) sign contracts and/or intercompany loan documents and other relevant financial documents, any contracts and/or amendments or contracts and/or amendments documents as well as to approve the fees, expenses and taxes associated with the execution of such contracts and/or documents.

3.2 Type and Transaction Size

The intercompany loan is deemed connected transaction of giving and/or receiving financial assistance, in calculating the transaction size the Company has considered from the highest amount of loan which may be given to the connected persons plus the highest amount of interest which the Company may be charged from the connected parties, i.e. the amount of 3,000 million bath and the interest from borrow and/or provide loan during the full term of 5 years, equivalent to 1800 million bath (with assumption of 6% interest rate). Therefore, the highest interest rate is 59% under the criteria of NTA value. As such the Company is obliged to be approved by the shareholders' meeting with the vote of not less than three forth of the total shares of shareholders who attend the meeting and having the right to vote (BCP, as major shareholder and the counter party to this transaction is considered the shareholder with special interest, therefore, has no right to vote).

As of December 31, 2022	BBGI (million Baht)
NTA Value	8,077
5-year term loan (3% interest per annum)	
• amount to be borrowed from BCP and/or BCTC	3,000
• amount to be lent to BCP and/or BCTC	3,000
Transaction Size (5 years)	4,800
Transaction Size based on NTA	59%

The Company has no other connect transaction within the past 6 months. Therefore, the highest transaction size of the connected transaction equals 59% under the NTA criteria which is considered a large connect transaction. In this regard, the Company shall have the following duties:

- (1) To disclose the information memorandum regarding the entering into such transaction of the Company to the Stock Exchange of Thailand;
- (2) To appoint the independent financial advisor to provide the opinion regarding the entering into the transaction to the shareholders of the Company;
- (3) To propose for the approval at the shareholders' meeting provided that the resolution shall be passed by not less than three-fourths (3/4) of the total number of votes of the shareholders attending the meeting and having the right to vote (in the regard, BCP as the major shareholder who is a party to the transaction is considered the interested shareholders and shall not have the voting right)

4. Connected Person

BCP and BCTC who are the parties to the agreement are the companies within the group of the major shareholder of the Company.

5. Source of fund and the sufficiency of the working capital

The source of fund for providing financial assistance to the party are from the working capital from the Company in a form of cash. After providing the loan, the Company must maintain sufficient cash flow for operation and does not affect the budget plan of the Company, as well as does not affect other financial conditions according to the financial agreements of the Company.

6. The Attendance and Vote of the Directors in the Meeting

In the Board of Directors' Meeting of the Company No.1/2023 dated February 16, 2023 for consideration of the transaction of provision of intercompany loan, there are 3 directors having

conflict of interest who are directors and executives from the group of major shareholders, namely Mr. Pichai Chunhavajira, Mr. Chaiwat Kovavisarach and Mr. Kittiphong Limsuwannarot who do not attend the meeting and vote on this matter.

7. Opinion of the Board of Directors

The Board of Directors without the directors who are considered having conflict of interest is of the view that the provision of intercompany loan is an alternative and for the benefit of the Company and shareholders. They are made on the reasonable ground. Therefore, the Board of Directors has resolved to approve that the Company enter into this transaction and the relevant agreement/documents.

8. Opinion of the Audit Committee and/or the Director of the Company which is different from the Opinion of the Board of Directors under Clause 7.

-None-

2. Important Information of the Company

2.1 Company business operation

The Company is a holding company within the business of Biofuel, production and distribution of Ethanol, Biodiesel, By-product, and other business associated with the aforementioned.

2.2 Summary of financial statements, as well as explanations and analysis of the Company's financial status and operating results

2.1.1 Summary of financial statements for the year 2022

For the year ended December 31, 2022 (million Baht)	
Item	2022
<u>Statements of income</u>	
Total income	
Revenue from ethanol production and distribution business ⁽¹⁾	3,965
Revenue from biodiesel production and distribution business ⁽²⁾	9,404
Revenue from health promoting high value bio products business	4
Revenue from interest	11
Other income ⁽³⁾	34
Total income	13,419
Profit (loss) from operating activities	200
Profit (loss) before income tax expense	97
Profit (loss) for the year	97
Profit (loss) attributable to owners of the parent	20
Basic Earnings (loss) per share (Baht)	0.02
<u>Balance sheet</u>	
Total assets	14,106
Total liabilities	3,825
Total equity	10,281
<u>Financial ratio</u>	
Liquidity ratio	3.50
<u>Profitability ratio</u>	
Operating profit margin (%)	1.49
Net profit margin (%)	0.72

Remark: (1) Revenue from ethanol production and distribution business consists of sales of fuel grade ethanol, industrial grade ethanol, pharmaceutical grade ethanol, revenue from sales of biogas and electricity

- (2) Revenue from biodiesel production and distribution business consists of revenue from the sale of self-produced biodiesel, biodiesel procurement and distribution, biodiesel refining service and revenue from sales of by-products and semi-finished products such as crude glycerin, pure glycerin, etc.
- (3) Other income mainly consists of dividend income and income from the sale of by-products from scrap raw materials, etc.

2.1.2 Explanations and analysis of the financial status and operating results for the year 2022

Please consider the explanation and analysis of the financial status and operating results for the year 2022 in Annual Registration Statement / Annual Report 2022 (Form 56-1 One Report) as per details in Enclosure 1 of the Notification to the 2023 Annual General Meeting of Shareholders and on the Company's website at www.bbzigroup.com/.

3. List of Board of Directors, Executives and Shareholders of the Company

3.1 Board of Directors as of March 2, 2023

	Name	Position
1.	Mr. Pichai Chunhavajira	Chairman
2.	Mr. Chamroon Chinthammit	Vice Chairman
3.	Mr. Surin Chiravisit	Director / Chairman of the Nomination and Remuneration Committee / Chairman of Risk Management and Corporate Governance Committee
4.	Mr. Chaiwat Kovavisarach	Director / Chairman of Investment Committee
5.	Mr. Kittiphong Limsuwannarot	Director / Member of the Investment Committee / Member of the Risk Management and Corporate Governance Committee
6.	Mr. Chalush Chinthammit	Director / Member of the Investment Committee
7.	Mr. Chanachai Chutimavoraphand	Director / Member of the Risk Management and Corporate Governance Committee
8.	Assoc. Prof. Jaruporn Viyanant	Director / Independent Director / Chairman of the Audit Committee
9.	Mrs. Patricia Mongkhonvanit	Director / Independent Director / Member of the Audit Committee
10.	Dr. Thitapha Smitinont	Director / Independent Director / Member of the Audit Committee / Member of the Nomination and Remuneration Committee
11.	Mr. Matthew Kichodhan	Director / Independent Director / Member of the Nomination and Remuneration Committee / Member of the Investment Committee

3.2 Executive of the Company as of March 2, 2023

	Name	Position
1.	Mr. Kittiphong Limsuwannarot	Chairman of the Executive Committee and Chief Executive officer and President
2.	Miss Kittima Wongsan	Executive Committee / Senior Executive Vice President New Business / Managing Director, BBGI Biodiesel Company Limited
3.	Mrs. Suttida Sukhanindr	Executive Committee / Senior Executive Vice President Corporate Accounting and Finance
4.	Mr. Supong Pongparit	Executive Vice President Corporate Strategy and Business Support
5.	Mr. Soopachoke Pattanapisalsak	Executive Vice President Operations / Managing Director, BBGI Bioethanol Public Company Limited / Managing Director, BBGI Bioethanol (Chachoengsao) Company Limited / Managing Director, BBGI Utility and Power Company Limited
6.	Mr. Ekarat Sumaytirakul	Vice President Finance and Investor Relations
7.	Miss Amporn Tongdonpum	Corporate Account Manager

3.3 List of top 10 major shareholders of the Company as of March 2, 2023

Name of Shareholder	Number of share (share)	Shareholding Percentage
1. Bangchak Corporation Public Company Limited	650,632,088	45.00
2. Khon Kaen Sugar Industry Public Company Limited	432,119,988	29.88
3. Bualuang Long-Term Equity Fund	16,139,145	1.12
4. Sansiri Public Company Limited by XSpring Asset Management Company Limited	14,885,000	1.03
5. The Viriyah Insurance Public Company Limited	9,318,980	0.64
6. Miss Obwaroon Jamerbsin	8,550,000	0.59
7. Vayupak Fund 1 by MFC Asset Management Public Company Limited	6,615,213	0.46
8. Vayupak Fund 1 by Krungthai Asset Management Public Company Limited	6,615,213	0.46
9. Thai NVDR Company Limited	5,582,820	0.39
10. Bualuang Long-Term Equity Fund 75/25	4,483,006	0.31

3.4 Related Parties Transaction in 2022

Please refer to the related party transactions in the Annual Registration Statement / Annual Report for the year 2022 (Form 56-1 One Report) as per details in Enclosure 1 of the Notification to the 2023 Annual General Meeting of Shareholders and on the Company's website at www.bbgroup.com/.

3.5 Other information that may significantly affect the decision of investors

“None”

4. Connected Person and/or shareholder with an interest

The connected persons and/or shareholders with an interest with respect to the entering into connected transactions which are classified as persons with an interest which has no right to cast votes in Agenda Item 8 of the 2023 Annual General Meeting of Shareholders - To approve the provision of intercompany loan with Bangchak Corporation Public Company Limited and/or Bangchak Treasury Center Company Limited (BCTC), which are classified as connected transactions, are as follows:

Name of Shareholder	Number of shares (Share)	Shareholding (Percentage)
1. Bangchak Corporation Public Company Limited	650,632,088	45.00

5. Opinion of the Financial Advisor on the entering into the connected transactions to propose to the shareholder of the Company

The Company has appointed an Independent Financial Advisor, Silom Advisory Company Limited (“Independent Financial Advisor”), to provide opinions on the reasonableness of the connected transactions and provide opinions on the entering into the connected transactions to propose to the shareholders of the Company.

In this regard, the Independent Financial Advisor holds no shares in the Company and has no relationship with the Company. The Independent Financial Advisor consented for the Company to disclose the opinion of the Independent Financial Advisor report, dated March 2, 2023 as per details in Enclosure 3 of the Notification to the 2023 Annual General Meeting of Shareholders.

6. Proxy form for shareholders to use in voting with at least one member of the Audit Committee being nominated as a proxy of a shareholder

The details of the members of the audit committee who will be available for appointment as proxy are set out in Enclosure 6 of the Notification to the 2023 Annual General Meeting of Shareholders.