

**Information Memorandum on Allocation of Newly Issued Ordinary Shares of  
E for L Aim Public Company Limited**

The meeting of the Board of Directors of E for L Aim Public Company Limited (“EFORL”, “The Company”) No. 2/2022 held on February 25, 2022 (“the Board Meeting”) passed a resolution to propose to the 2022 Annual General Meeting of shareholders which is scheduled to be held on April 8, 2022 to consider and approve the important matters as follows:

- The increase of the Company’s registered capital by Baht 899,519,617.275 from the previous registered capital of Baht 2,998,398,708.975 to be the new registered capital of Baht 3,897,918,326.25 by increasing the newly issued ordinary shares 11,993,594,897 at a par value of 0.075 Baht each, the allocation as follows;

1) The allocation not exceeding 47 newly issued shares for the offering to Mr. Preecha Nuntnarumit through Private Placement at the market price (no discount) to accommodate for the change of the par value by merging shares to avoid fractional shares after the change in par value. (before the change of the par value by way of reverse stock split)

2) To accommodate the exercise of the warrants to purchase ordinary shares of the Company Series 5 (EFORL-W5) not exceeding 799,572,990 newly issued shares and to accommodate the exercise of the warrants to purchase ordinary shares of the Company Series 6 (EFORL-W6) not exceeding 399,786,495 newly issued shares. (after the change of the par value by way of reverse stock split)

- The change of the par value of the Company’s shares from Baht 0.075 to Baht 0.75 per share by reversed stock split, resulting in the number of ordinary shares to decrease by 46,775,019,915 shares from 51,972,244,350 shares to 5,197,224,435 shares with the par value of Baht 0.75 per share. The changing of par value results in a decrease of number of shares to be held of each shareholder to be decrease in the ratio of 10 existing shares: 1 new share as follows:

After increase of registered capital by PP	<u>Before</u> the change in par value (Par value of Baht 0.075 per share)	<u>After</u> the change in par value (Par value of Baht 0.075 per share)
Registered capital (Baht)	3,897,918,326.25	3,897,918,326.25
Number of registered shares	51,972,244,350	5,197,224,435
Paid-up Capital (Baht)	2,998,398,712.50	2,998,398,712.50
Paid-up stock	39,978,649,500	3,997,864,950

Given that the issuance and offering of newly issued ordinary shares are material, the Company has prepared the information essential to the shareholders’ decision under the Notification of the Capital Market Supervisory Board No. TorJor. 73/2558 Re: List of Information in the Notice of Shareholders’ Meeting of Listed Company for Seeking Approval of the Issuance and Offering of Securities (as amended), with the details as follows:

## 1. Details of Offering of Newly Issued Shares

1.1 The Company shall allocate not exceeding 47 newly issued ordinary share with a par value of Baht 0.075 per share (prior the change of the par value by way of reverse stock split) to accommodate for the change of the par value of the Company's shares and has no fraction after such change by way of private placement, namely Mr. Preecha Nuntnarumit, of 47 newly issued ordinary share at the market price (no discount). This transaction size is not subject to the disclosure requirement in accordance with the connected transactions regulation.

Such share offering where the Shareholders' Meeting has a resolution to authorize the Board of Directors and/or the person authorized by the Board of Directors to specify the offering price at the market price pursuant to the requirements the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Permission for Listed Companies to Offer Newly Issued Shares to Specific Investors dated October 28, 2015 (as amended) (the "Notification No. TorJor. 72/2558"). The market price is the weighted average price of ordinary shares of the Company for the period of 7-15 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 to Private Placement.

In addition, the Board of Directors' Meeting resolved to grant approval to propose the Shareholders' Meeting to consider authorizing the Board of Directors or the Chief Executive Officer or the person authorized by the Board of Directors or the Chief Executive Officer to take any arrangements in relation to the issuance, offering, allocation and subscription for such newly issued ordinary shares.

1.2 The Company shall allocate not exceeding 799,572,990 newly issued ordinary shares with a par value of Baht 0.75 per share (after the change of the par value by way of reverse stock split) to accommodate the exercise of the EFORL-W5 Warrants at the ratio of 5 existing ordinary shares to 1 unit of the EFORL-W5 Warrants issued to the Company's existing shareholders in proportion to their shareholding percentage, at the offering price of the EFORL-W5 Warrants at Baht 0.40 per unit, whereby the right to be allocated with the EFORL-W5 Warrants shall remain uncertain until approved by the shareholders' meeting. Should there be any fraction of the EFORL-W5 Warrants remaining from the calculation at the allocation ration, such fraction shall be discarded. Please refer to further details in the Summary of Preliminary Details of the EFORL-W5 Warrants in Enclosure 4.

1.3 The Company shall allocate not exceeding 399,786,495 newly issued ordinary shares with a par value of Baht 0.75 per share (after the change of the par value by way of reverse stock split) to accommodate the exercise of the EFORL-W6 Warrants for allocation to the Company's existing shareholders who intend to subscribe to purchase Warrant EFORL-W5 at the ratio of 2:1 (2 units of Warrant EFORL-W5 to 1 unit of the Warrant EFORL-W6), at the offering price at Baht 0 (zero), whereby the right to be allocated with the EFORL-W6 Warrants shall remain uncertain until approved by the shareholders' meeting. Should there be any fraction of the EFORL-W6 Warrants remaining from the calculation at the allocation ration, such fraction shall be discarded. Please refer to further details in the Summary of Preliminary Details of the EFORL-W6 Warrants in Enclosure 5.

For the purpose of allocation of newly issued ordinary shares to accommodate the exercise of the EFORL-W5 Warrants and EFORL-W6 Warrants, the Board of Directors' Meeting resolved to grant approval to propose the 2022 Annual General Meeting

of Shareholders to consider authorizing the Board of Directors or the Chief Executive Officer and/or the person appointed and assigned by the Board of Directors or the Chief Executive Officer to have the power to determine or change details and conditions as necessary for and/or in connection with the issuance and allocation of the EFORL-W5 Warrants and EFORL-W6 Warrants in all respects, including the power to take any relevant or necessary actions as appropriate to ensure the successful issuance and offering of the EFORL-W5 Warrants and EFORL-W6 Warrants, subject to the requirements of applicable laws and the scope of approval by the Annual General Meeting of Shareholders, the details of which includes, but is not limited to

(1) preparation of the term sheet of rights and conditions of the EFORL-W5 Warrants and EFORL-W6 Warrants, including determination of details relating to the issuance of the EFORL-W5 Warrants and EFORL-W6 Warrants, etc.

(2) provision of information, contact, preparation, execution, delivery, submission of documents as necessary for or in connection with the issuance and allocation of the EFORL-W5 Warrants and EFORL-W6 Warrants to the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand (“SET”), Thailand Securities Depository Co., Ltd., Ministry of Commerce and other relevant authorities or persons,

(3) listing of the warrants and ordinary shares arising from the exercise of the EFORL-W5 Warrants and EFORL-W6 Warrants on SET,

(4) appointment of sub-attorney-in-fact to have the power to take any actions as necessary and appropriate in relation to the issuance and allocation of the EFORL-W5 Warrants and EFORL-W6 to ensure the successful issuance and allocation of the EFORL-W5 Warrants and EFORL-W6 Warrants in all respects,

(5) registration for change of the paid-up capital with the Department of Business Development, Ministry of Commerce, with the power to take all necessary actions in accordance with the Registrar’s order to complete the registration,

(6) scheduling and change of the record date to determine the list of shareholders entitled to be allocated with the EFORL-W5 Warrants and EFORL-W6 Warrants.

## **2. Objectives of the capital increase and plans for utilizing proceeds received from the capital increase**

The Company has plans to increase registered capital and to change the par value by way of reverse stock split from Baht 0.075 per share to Baht 0.75 per share. The Company; therefore, issues and offers the newly share capital to private placement to avoid a fraction of shares arising out from the adjusting the par value by way of reverse stock split.

For the increasing capital by issuing warrants; EFORL-W5 and EFORL-W6, is to restructure the capital, debts, and the Company’s business which one of the Company’s plan to solve the Caution Sign Posted (“C”) to support the Company to do the business in the Mega Trend and sustainability.

■ The capital restructuring by changing par value is to comply with the SET’ s requirement for which the issuance and offering the warrant will be incurred after changing par value.

■ The debt restructuring is to improve the financial ratio especially Debt to Equity Ratio. This will reduce financial risk in D/E ratio of the Financial Institutions and enhance the Company's credibility to give the business opportunity to be growth which will be mechanism to develop and manage the business to be sustainable.

In event, the Company receives funding in full of issuance and offering warrants and the warrant holders exercise their rights to purchase the newly issued ordinary shares, in the amount of approximately Baht 2,100 million within 3 years. The Company has a plan to utilise funding as follows:

1) To use as working capital and financial liquidity approximately Baht 600 million

2) To repay debts/loans of the Company approximately Baht 1,000 million.

3) To accommodate the expansion of the new business/projects relating to the medical business to meet the strategic plan of the Company approximate Baht 500 million.

### **3. Benefits which the Company will receive from the capital increase and share allotment**

3.1 The Company will be able to order products to meet the customers' demand and having the effective management inventory to deliver products on-time to meet the delivery requirement, especially the overdemand products, to reduce loss of customers and penalty charged from late delivery.

3.2 The Company will have funding to expand the business in the future relating to the IOMT ("Internet of Medical Things").

3.3 The Company will be able to reduce cost of debts.

3.4 The Company will be able to improve its business to comply with the SET or SET requirements relation to the minimum par value and Caution Sign Posted.

3.5 The Company will be to build credibility with customers and stakeholders in the financial and business stability.

### **4. Benefits which shareholders will receive from the capital increase and share allotment**

The Company will have the strengthen financial position resulting in the positive operating performance, building on the creditability to suppliers and shareholders. This also brings the positive impact to the share value directly affecting to shareholders i.e. the benefit in form of the dividend if the Company has good operating performance.

### **5. Potential impact of the issuance and allocation of shares offered**

**Potential impact of the issuance and allocation of shares for exercise of EFORL-W5 (after the change of the par value by way of reverse stock split)**

#### **1) Control Dilution**

Qo Number of all issued and sold ordinary shares of the Company (after = 3,997,864,950 shares  
the change of the par value by way of reverse stock split)

Qx5 Number of newly ordinary shares to accommodate the EFORL-W5 = 799,572,990 shares

$$\begin{aligned} \text{Control Dilution} &= \frac{(Qx5)/(Q0+Qx5)}{799,572,990} \\ &= \frac{799,572,990}{(3,997,864,950+799,572,990)} \\ &= 16.67\% \end{aligned}$$

## 2) Price Dilution

Price Dilution = (PE-Po)/Po; Whereby

Po Weighted average closing price 7 trading days before the meeting date of board of director of the Company on 25 February 2022 starting from 15-24 February 2022 which is Baht 0.17 per share (at par value of Baht 0.075) (Data from SETSMART of SET) or equivalent to Baht 1.70 per share (at par value of Baht 0.75 per share).

Qo Number of all issued and sold ordinary shares of the Company (after the change of the par value by way of reverse stock split) = 3,997,864,950 shares

Pw5 The offering price for EFORL-W5 = Baht 0.40

Qw5 Number of the Warrants EFORL-W5 = 799,572,990 units

Epw5 Exercise price of EFORL-W5 = Baht 1.00

Qx5 Number of newly ordinary shares to accommodate the EFORL-W5 = 799,572,990 shares

$$\begin{aligned} \text{PE} &= \frac{\text{PoQo} + (\text{Pw5Qw5}) + (\text{Epw5Qx5})}{(\text{Qo} + \text{Qx5})} \\ &= \frac{1.7 \times 3,997,864,950 + [(0.4 \times 799,572,990) + (1.0 \times 799,572,990)]}{(3,997,864,950 + 799,572,990)} \\ &= 1.65 \end{aligned}$$

$$\begin{aligned} \text{Price dilution} &= (\text{PE} - \text{Po}) / \text{Po} \\ &= (1.70 - 1.65) / 1.70 \\ &= 2.95\% \end{aligned}$$

## 3) Earnings Dilution

$$\text{Earnings Dilution} = \frac{(\text{EPS before issued Warrant} - \text{EPS after issued Warrant})}{\text{EPS before issued Warrant}}$$

Whereby,

$$\text{EPS before issued Warrant} = \frac{812,030,000}{3,997,864,950}$$

$$\begin{aligned}
 &= \text{Baht 0.20 / share} \\
 \text{EPS after issued Warrant} &= \frac{812,030,000}{(3,997,864,950+799,572,990)} \\
 &= \text{Baht 0.17 / share} \\
 \text{Earnings Dilution} &= \frac{(0.20-0.17)}{0.20} \\
 &= 16.67\%
 \end{aligned}$$

Net profit represents the net profits attributable to major shareholders of the Company for the past 12 months, which is equal to Baht 812.03 million.

**Potential impact of the issuance and allocation of shares for exercise of EFORL-W6 (after the change of the par value by way of reverse stock split)**

**1) Control Dilution**

Q0	Number of all issued and sold ordinary shares of the Company (after the change of the par value by way of reverse stock split)	=	3,997,864,950 shares
Qx5	Number of newly ordinary shares to accommodate the EFORL-W5	=	799,572,990 shares
Qx6	Number of newly ordinary shares to accommodate the EFORL-W6	=	399,786,495 shares

  

Control Dilution	=	$\frac{(Qx6)}{(Q0+Qx5+Qx6)}$
	=	$\frac{(399,786,495)}{(3,997,864,950+799,572,990+399,786,495)}$
	=	7.69%

**2) Price Dilution**

Price Dilution = (PE-Po)/Po; Whereby

Po	Weighted average closing price 7 trading days before the meeting date of board of director of the Company on 25 February 2022 starting from 15-24 February 2022 which is Baht 0.17 per share (at par value of Baht 0.075) (Data from SETSMART of SET) or equivalent to Baht 1.70 per share (at par value of Baht 0.75 per share).	
Q0	Number of all issued and sold ordinary shares of the Company (after the change of the par value by way of reverse stock split)	= 3,997,864,950 shares
Pw5	The offering price for EFORL-W5	= Baht 0.40
Qw5	Number of the Warrants EFORL-W5	= 799,572,990 units
Pw6	The offering price for EFORL-W6	= Baht 0

Qw6	Number of the Warrants EFORL-W6	= 399,786,495 units
Epw5	Exercise price of EFORL-W5	= Baht 1.00
Qx5	Number of newly ordinary shares to accommodate the EFORL-W5	= 799,572,990 shares
Epw6	Exercise price of EFORL-W6	= Baht 2.50
Qx6	Number of newly ordinary shares to accommodate the EFORL-W6	= 399,786,495 shares

$$\begin{aligned}
 PE &= \frac{PoQo+[(Pw5Qw5)+(Epw5Qx5)]+[(Pw6Qw6)+(Epw6Qx6)]}{(Qo+Qx5+Qx6)} \\
 &= \frac{1.7 \times 3,997,864,950 + [(0.4 \times 799,572,990) + (1.0 \times 799,572,990)] + [(0 \times 399,786,495) + (2.5 \times 399,786,495)]}{(3,997,864,950 + 799,572,990 + 399,786,495)} \\
 &= \text{Baht 1.72 per share}
 \end{aligned}$$

$$\begin{aligned}
 \text{Price dilution} &= (PE - Po) / Po \\
 &= (1.70 - 1.72) / 1.70 \\
 &= 0.90\%
 \end{aligned}$$

### 3) Earnings Dilution

$$\text{Earnings Dilution} = \frac{(\text{EPS before issued Warrant} - \text{EPS after issued Warrant})}{\text{EPS before issued Warrant}}$$

$$\begin{aligned}
 \text{EPS before issued Warrant} &= \frac{812,030,000}{3,997,864,950} \\
 &= \text{Baht 0.20/share}
 \end{aligned}$$

$$\begin{aligned}
 \text{EPS after issued Warrant} &= \frac{812,030,000}{(3,997,864,950 + 799,572,990 + 399,786,495)} \\
 &= \text{Baht 0.16/share}
 \end{aligned}$$

$$\begin{aligned}
 \text{Earnings Dilution} &= \frac{(0.20 - 0.16)}{0.20} \\
 &= 23.08\%
 \end{aligned}$$

Net profit represents the net profits attributable to major shareholders of the Company for the past 12 months, which is equal to Baht 812.03 million.

## **6. Opinion of the Board of Directors**

The Board of Directors No. 2/2022 held on February 25, 2022, with 7 out of 7 directors attending the meeting which achieved a quorum in accordance to the Company's regulation. Among the directors attending the meeting, 4 out of 4 independent directors presented at the meeting. The Board of Directors had an opinion regarding the capital increase and offering of newly issued ordinary shares as follows;

### **6.1. Reasons and necessity of the capital increase**

The Board of Directors had an opinion that the capital increase is necessary to restructure the capital, debts, and the Company's business is to improve the financial ratio especially Debt to Equity Ratio. This will reduce financial risk in D/E ratio of the Financial Institutions and enhance the Company's credibility to give the business opportunity to be growth.

### **6.2. Possibility of funding plan, rationale of capital increase, funding plan**

The Board of Directors had an opinion that this increase capital is specified objectives. In case the Company receives funding in full of issuance and offering warrants and the warrant holders exercise their rights to purchase the newly issued ordinary shares, in the amount of approximately Baht 2,100 million within 3 years, the Company will utilize fund as planned to solve financial problems which is one of solution to solve the Caution Sign Posted ("C") support the Company to do the business in the Mega Trend and sustainability.

### **6.3. Impacts on company's business, financial stability and its operation from the capital increase and funding plan.**

The Board of Directors opinioned that this increased capital will have the positive impact i.e. adequate working capital, reduce cost of debts and having enough fund to expand the business in the future which will be mechanism to manage business in sustainable. This builds on the creditability to suppliers and shareholders in strengthen financial position and business stability.

## **7. Certification of the Board of Directors**

In the event where any director of the Company fails to perform his/her functions as required by law, objectives and articles of association of the Company as well as resolutions of the shareholders' meeting, with integrity and due care to protect the Company's interests in connection with this capital increase, and such failure by action or inaction in the performance of his/her functions has caused damage to the Company, the Company may claim damages from such director. If the Company does not claim such damages, the shareholders, holding among them in aggregate not less than 5 percent of all issued and sold shares, may give notice to the Company to proceed with such claim, failing which, the shareholders may take legal actions to claim damages from such director on behalf of the Company pursuant to Section 85 of the Public Limited Companies Act B.E. 2535 (1992) (as amended).

In addition, should such failure by action or inaction in the performance of his/her functions as required by law, objectives and articles of association of the Company as well as resolutions of the shareholders' meeting, with integrity and due care to protect the Company's interests in this capital increase, have caused any director, executive or related persons to derive

any undue benefits, the Company may take legal actions against such director be held liable to return such benefits to the Company, or the shareholders, holding among them in aggregate not less than 5 percent of all votes in the Company, may give notice to the Company to do so, failing which within 1 month from the date of receipt of such notice, the shareholders may take legal actions to recover those benefits from such directors on behalf of the Company pursuant to Section 89/18 of the Securities and Exchange Act B.E. 2535 (1992) (as amended).

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

-None-

Please be informed accordingly.

Sincerely yours,

(Mr. Preecha Nuntnarumit)

Chief Executive Officer