
[English Translation]

**Information Memorandum Regarding Offering of
Newly Issued Ordinary Shares to Existing Shareholders in Proportion to Their Shareholding
SiamEast Solution Public Company Limited
6 March 2021**

1. Newly issued ordinary shares offering details

1.1 Number of newly issued ordinary shares

Not exceeding 360,000,000 shares at par value of THB 0.50 per share, or equivalent to 150.00% of the Company's issued and paid-up shares as of 6 March 2021.

1.2 Determination of offering price and market price

The offering price is THB 0.50 per share referred from the industry circumstance and according to the par value at the time of offering the newly issued ordinary shares including the consideration of the price to book value (P / BV) ratio of listed companies. As of 31 December 2020, the Company has shareholders' equity equal to THB 365,453,293.19 or equivalent to book value of THB 1.5227 per share.

1.3 Offering and allocation method

Offer to existing shareholder in proportion to their shareholding (Rights Offering) at the offering ratio of 2 existing shares to 3 newly issued ordinary shares, any fraction shall be discarded. In this regards, the existing shareholders are entitle to subscribe shares in excess of their rights in which the excess subscribed shares will be allotted to the shareholders who subscribe shares in excess of their rights after newly issued ordinary shares have been allotted to all shareholders who subscribe shares as per their rights in first round.

- 1) In case the number of residual newly issued ordinary shares is more than or equal to number of newly issued ordinary shares which have been subscribe in excess. The Company will allot newly issued ordinary shares in full to all shareholders who state their intention to subscribe shares in excess of their rights and has paid in full amount.
- 2) In case the number of the residual newly issued ordinary shares, are less than number of newly issued ordinary shares which have been subscribe in excess

2.1) The Company will allot the residual newly issued ordinary shares to the shareholders who subscribe shares in excess of their rights after newly issued ordinary shares have been allotted to all shareholders who subscribe shares as per their rights in first round by way of multiply by the remaining shares. The result of the calculation is equal to the subscribed number of shares, any fraction shall be discarded. However, the number of shares to be allocated must not exceed the number of shares that each shareholder has subscribed and made the full payment of the subscription price.

2.2) In the event that there are remaining shares after the allocation under 2.1), the Company will allot the remaining shares to those subscribers in excess of their rights, which has not been allocated in proportion to the original shareholding portion of the person who subscribes in excess of their rights, any fraction shall be discarded. However, the number of shares to be allocated must not exceed the number of shares that each shareholder has subscribed and made the full payment of the subscription price according to the method in this clause until there are no shares remain from the allocation.

In the event that the allocation of shares in excess of rights shall not result in any subscribe allotted shares and reach or cross the point that need to make a tender offer pursuant to the law and relevant regulations.

In this regards, the executive board of directors and/or person authorized by board of director is authorized to conduct various matters relating to offering of newly issued ordinary shares to existing shareholders in proportion to their shareholding (Rights Offering), including but not limited to:

- 1) Specifying or amendment the terms and conditions and details relating to offering of newly issued ordinary shares (Right Offering) including the following:
 - 1.1) Amount of newly issued ordinary shares offered to existing.
 - 1.2) The recording date for the Right Offering for the shareholders who are entitled to subscribe of newly issued ordinary shares.
 - 1.3) Proportion of the Right Offering (Offering ratio of existing shares to newly issued ordinary share)

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- 1.4) Offering price and the calculation of the offering price for the Right Offering
 - 1.5) Allocation methods for shares in excess of the rights
 - 1.6) Subscription period and subscription payment of the Right Offering and terms and conditions and details relating to offering of newly issued ordinary shares (Right Offering)
- 2) To Negotiate, prepare, sign, and/or amend relevant documents and agreements including perform any action that is necessary and appropriate and relating to offering of the Company's newly issued ordinary shares.
 - 3) To execute, enter, sign, and amend applications for permission, applications for relaxation, notices, and evidence necessary for, and in connection with, the allotment of these ordinary shares of the Company including, without limitation, relevant registration with the Ministry of Commerce; communication and submission of applications for permission and relaxation, notices, and relevant documents and evidentiary materials to government or relevant agencies; and amendment and addition to, or modification of, applications or statements in those relevant documents; and listing the ordinary shares on the stock exchange; and do anything necessary and relevant to ensure the successful allotment of the ordinary shares of the Company.
 - 4) To appoint and assign any person to act the attorney-in-fact to perform anything necessary for, in connection with the foregoing matters.

1.4 Person whom will be allotted newly issued ordinary shares

The Company specifies record date to specify list of shareholders whose entitle for subscription of shares in proportion to their shareholding (Record Date) on 10 May 2021 and specify the subscription date of newly issued ordinary shares allotted to existing shareholders in proportion to their shareholding between 7 June 2021 until 11 June 2021, totaling 5 business days respectively. Nonetheless, the capital increased and allotment of newly issued ordinary shares will be able to proceed only when the 2020 annual general

meeting of shareholders, which will be held on 29 April 2021, approve capital increased and allotment of newly issued ordinary shares.

2. Objective of capital increase and use of proceed

To invest in the acquisition of 73,826 ordinary shares at the price value of THB 3,521.79 per share, or equivalent to 92.2825% of the issued and paid-up shares in Kessel (Thailand) Co., Ltd. from (1) PPM Engineering Company Limited (“PPM”) of 73,826 ordinary shares, (2) Miss Orasa Vimolchalao of 73,826 ordinary shares, and (3) Mr. Sittichai Leekasem of 1 ordinary share (Collectively referred to as “the Sellers”) totaling of THB 260,000,000. This will be the payment in full on the closing date of transaction. This investment is to expand the scope of business, which will generate revenues and profits for the company in the future. If the performance of the company improves, the shareholders will benefit from receiving dividends of the company according to the dividend payment policy. It is expected to be completed within 3 months from the date the shareholders' meeting approves the transaction.

3. Dilution Effect and worthiness compared to effect

3.1 Control Dilution

After offering of newly issued ordinary shares to existing shareholders in proportion to their shareholding (Rights Offering), the shareholders who do not subscribe for newly issued ordinary shares shall be affected by control dilution in 2 scenarios:

Scenario 1 shall be affected by control dilution as follows:

There is no effect because it is the issuance and allocation of the newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Rights Offering).

Scenario 2 shall be affected by control dilution as follows:

The existing shareholders of the company who did not subscribe for the newly issued ordinary shares will be affected to the voting rights of the existing shareholders (Control Dilution) by not exceeding the rate of 57.69%

The dilution is calculated by number of newly issued ordinary shares offered to existing shareholders in proportion to their shareholding (Rights Offering) divided by sum of (1) number of the Company's issued and paid-up shares and (2) number of newly issued ordinary shares offered to existing shareholders in proportion to their shareholding (Rights Offering).

$$\begin{aligned}
 \text{Control Dilution} &= \frac{\text{Number of newly issued ordinary shares offered to existing shareholders} \\
 &\quad \text{in proportion to their shareholding}}{\text{Number of the Company's issued and paid-up shares} +} \\
 &\quad \text{Number of newly issued ordinary shares offered to existing shareholders in proportion to their shareholding} \\
 &= \frac{360,000,000}{240,000,000 + 24,000,000 + 360,000,000} \\
 &= 57.69 \%
 \end{aligned}$$

3.2 Price Dilution

After offering of newly issued ordinary shares to existing shareholders in proportion to their shareholding (Rights Offering), the shareholders who do not subscribe for newly issued ordinary shares shall be affected by price dilution in 2 scenarios:

Scenario 1 shall be affected by price dilution as follows:

There is no effect because it is the issuance and allocation of the newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Rights Offering).

Scenario 2 shall be affected by price dilution as follows:

The existing shareholders of the company who did not subscribe for the newly issued ordinary shares will be affected to the Price Dilution by not exceeding the rate of 38.39%

Whereas:

Market Price = The assumption of the market price before offering is THB 1.49 per share, a weighted average market price for 15 consecutive business days prior to the date on which the director approved the allotment of newly issued ordinary shares to the existing shareholders in proportion to their shareholding from 2 February 2021 to 22 February 2021 (Information from SETSMART of www.setsmart.com)

$$\text{Market Price After the Offering} = \frac{(\text{Market Price} \times \text{Number of the Company's issued and paid-up shares}) + (\text{Offering Price} \times \text{Number of newly issued ordinary shares offered})}{\text{Number of the Company's issued and paid-up shares} + \text{Offering Price} + \text{Number of newly issued ordinary shares offered}}$$

$$\text{Market Price After the Offering} = \frac{(1.49 \times 240,000,000) + (0.50 \times 24,000,000) + (0.50 \times 360,000,000)}{(240,000,000 + 24,000,000 + 360,000,000)}$$

$$= 0.88 \text{ Baht per share or equivalent to } 40.95 \%$$

3.3 Earning Per Share Dilution

After offering of newly issued ordinary shares to existing shareholders in proportion to their shareholding (Rights Offering), the shareholders who do not subscribe for newly issued ordinary shares shall be affected by control dilution in 2 scenarios:

Scenario 1 shall be affected by control dilution as follows:

There is no effect because it is the issuance and allocation of the newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Rights Offering).

Scenario 2 shall be affected by control dilution as follows:

The existing shareholders of the company who did not subscribe for the newly issued ordinary shares will be affected to the profit sharing (Earnings Dilution) by not exceeding the rate of 57.69%

The dilution is calculated by net profit divide by number of newly issued ordinary shares offered to existing shareholders in proportion to their shareholding (Rights Offering) minus by sum of total number issued ordinary shares offered after the offering to existing shareholders in proportion to their shareholding (Rights Offering) and divide by net profit and total number issued ordinary shares offered before the offering to existing shareholders in proportion to their shareholding (Rights Offering).

$$\text{Earning Dilution} = \frac{(\text{Net Profit/Number of shares before the offering}) - (\text{Net Profit/ Number of shares after the offering})}{(\text{Net Profit/Number of shares before the offering})}$$

$$= \frac{(40,408,809.93 / 264,000,000) - (40,408,809.93 / 624,000,000)}{40,408,809.93 / 264,000,000}$$
$$= 57.69 \%$$

4. Opinion of the Company's board of director regarding capital increased

4.1 Reason and necessity of capital increased

The Company's board of directors is of the opinion that the offering new ordinary shares to existing shareholders in proportion to their shareholding (Right Offering) will enable the Company to receive money from the capital increase. This allows the company to use those funds to facilitate investment in order to expand the scope of business. This includes using for working capital of the Company and/or as repayment of the Company's liabilities and/or using for expansion businesses of the Company, such as acquisitions of assets or other transactions as deemed appropriate by the Board of Directors of the Company, which will generate revenues and profits for the company in the future, in which the shareholders will benefit from receiving dividends of the company according to the dividend payment policy, whereby the Company shall comply with the Notification of the Stock Exchange of Thailand on Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets, B.E. 2547 (2004) dated October 29, 2004 in connection with the investment in the expansion of businesses of the Company.

4.2 Possibility of use of proceed plan

The Company's board of directors is of the opinion that the Company is able to spend the proceeds received from the capital increase to use as working capital for business operation by acquiring 73,826 ordinary shares or equivalent to 92.2750 % of the paid-up capital shares in Kessel (Thailand) Co., Ltd. to expand the scope of business which will generate revenue and profits for the company in the future.

4.3 Reasonableness of capital increased, use of proceed plan, and sufficiency of funding

The Company's board of directors is of the opinion that the capital increase and the plan to use the proceeds from this offering of the newly issued ordinary shares are reasonable as follows:

- 1) This transaction is an acquisition of 73,826 ordinary shares or equivalent to 92.2825% of the paid-up capital shares in Kessel (Thailand) Co., Ltd., which will enable the Company to immediately revenue recognition from Kessel (Thailand) Co., Ltd. after the completion of the transaction.
- 2) In the past, Kessel (Thailand) Co., Ltd. has a gross margin and net profit margin higher than the Company. If the business of Kessel (Thailand) Co., Ltd. operates under normal conditions without

any change or has a significant impact. The significance will cause the Company to have higher gross profit and net profit margin after the completion of the transaction.

- 3) The Company will benefit from business cooperation (Synergy) whereby the Company and Kessel (Thailand) Co., Ltd. can use the Workshop, Machinery and Equipment together, to cover customer service before and after the sale. Human resources can also be used by sharing personnel with knowledge, capability, transportation system and procurement together in order to reduce the cost of doing business.
- 4) The Company and Kessel (Thailand) Co., Ltd. will help to increase product variety and service to each other's customers.
- 5) Investing in Kessel (Thailand) Co., Ltd. should increase the share value, the market value and the return rate to the shareholders of the Company in the stock market since Kessel (Thailand) Co., Ltd. has continuously well performed since the past.
- 6) In addition, in the case that the investment in Kessel (Thailand) Co., Ltd. is not approved by the Company's shareholders, the Company will use the aforementioned fund from this capital increase as working capital of the Company and/or as repayment of the Company's liabilities and/or use for other expansions of the Company, such as acquisitions of assets or other transactions as deemed appropriate by the Board of Directors of the Company aiming to increase the operating performance of the Company both revenues and profits which will affect the shareholders through the dividend payment of the Company from its policy, whereby the Company shall comply with the Notification of the Stock Exchange of Thailand on Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets, B.E. 2547 (2004) dated October 29, 2004 in connection with the investment in the expansion of businesses of the Company.

4.4 Effect to the Company's operation as well as financial position and operating result

The Company's board of directors is of the opinion that the capital increase will provide the company with better liquidity and financial status and working capital for business operation, and adjust the proportion of capital increase by using the retained earnings of the company to increase the strength and financial stability, and to increase the flexibility of the company's capital structure and to expand the scope of the business that will strength the company's income and profit in the future.

Offering new ordinary shares to existing shareholders in proportion to their shareholding (Right Offering) will enable the Company to receive money from the capital increase. This allows the company to use those

funds to facilitate investment in order to expand the scope of business. This includes using for working capital of the Company and/or as repayment of the Company's liabilities and/or using for expansion businesses of the Company, such as acquisitions of assets or other transactions as deemed appropriate by the Board of Directors of the Company, which will generate revenues and profits for the company in the future, in which the shareholders will benefit from receiving dividends of the company according to the dividend payment policy.

5. The board of directors certified regarding capital increased

In the event that the Company's directors do not perform their fiduciary duty and protect the benefit of the Company regarding the capital increased, if the failure to perform of aforesaid duty cause damage to the Company, the shareholder is entitled to claim the damages from such director on behalf of the Company pursuant to section 85 of Public Limited Company Act B.E. 2535 (as amended). In addition, if the failure to perform of aforesaid duty resulting in director or related person receive wrongly benefit, the shareholder is entitled to claim the damages from such director on behalf of the Company pursuant to section 89/18 of Securities and Exchange Act B.E.2535 (as amended).