

Information Memorandum on the Issuance and Offering of Newly Issued Ordinary Shares to Existing Shareholders in proportion to their existing shareholding and the Issuance and Offering of Warrant to Purchase Newly Issued Ordinary Shares in UBIS (Asia) Public Company Limited No. 1
of
UBIS (Asia) Public Company Limited

As the Board of Directors' Meeting of UBIS (Asia) Public Company Limited (the "Company") No. 11/2021 on October 18, 2021 ("Board of Directors' Meeting") approved to propose the Extraordinary General Meeting of Shareholders No. 1/2021 on December 3, 2021 ("Shareholders' Meeting") to consider and approve the increase of the Company's registered capital by Baht 170,999,992 from the existing registered capital of Baht 227,999,991 to the new registered capital of Baht 398,999,983 by issuing 170,999,992 newly issued ordinary shares at the par value of Baht 1 per share and the allocation of the newly issued ordinary shares shall be as follows:

- 1) The increase of registered capital of Baht 56,999,997 by issuing, not exceeding, 56,999,997 newly issued ordinary shares at the par value of Baht 1 per share to existing shareholders in proportion to their existing shareholding (Right Offering) at the allocation ratio of 4 existing ordinary shares to 1 newly issued ordinary share, fractional shares will be disregarded, at the offering price of Baht 4 per share.
- 2) The increase of registered capital of Baht 113,999,995 by issuing, not exceeding, 113,999,995 newly issued ordinary shares at the par value of Baht 1 per share to accommodate the issuance and offering of the Warrant to Purchase Newly Issued Ordinary Shares in UBIS (Asia) Public Company ("Warrant UBIS-W1"), not exceeding 113,999,995 units to existing shareholders in proportion to their existing shareholdings (Right Offering) free-of-charge (Baht zero) at the allocation ratio of 2 existing ordinary shares to 1 warrant unit of UBIS-W1, fractional shares are disregarded. UBIS-W1 has the exercise ratio of 1 UBIS-W1 warrant unit to 1 newly issued ordinary share. Such warrant has the term of 2 years since the issuance date of UBIS-W1 and an exercise price of Baht 7 per share (unless the case of adjustment of rights).

1. Details of Offering

1.1 The issuance, offering, and allocation of the Company's newly issued ordinary shares to the existing shareholders in proportion to their shareholding

Issue and allocate, not exceeding, 56,999,997 newly-issued ordinary shares at the par value of Baht 1 per share to offer to existing shareholders in proportion to their existing shareholdings (Rights Offering) at the allocation ratio of 4 existing ordinary shares to 1 newly issued ordinary share, fractional shares are disregarded, at the offering price of Baht 4 per share.

In this issuance and offering of newly issued ordinary shares to existing shareholders of the Company, will be an offering of ordinary shares in proportion to the shareholding. If there are fractional shares as a result from the calculation, such

fractions shall be disregarded. and the existing shareholders have the right to oversubscribe for newly issued ordinary shares. in the event that there are newly issued ordinary shares remaining from the allocation to existing shareholders in the first round, the Company will allocate the remaining newly issued ordinary shares to the existing shareholders who wish to oversubscribe for the newly issued ordinary shares in excess of their own proportion of shareholding. The Company will allocate the remaining shares until there are no more newly issued ordinary shares left from the allocation or is unable to allocate because it is a fractional share or until no shareholder wishes to subscribe for such newly issued ordinary shares and in the case that there are remaining newly issued ordinary share from the right offering, the Company shall propose to the shareholders' meeting to consider and approve the reduction of the Company's registered capital to cancel such unallocated shares.

However, in the event that a shareholder expresses an intention to subscribe for the newly issued ordinary shares in excess of their shareholding proportion and results in the shareholders and persons under Section 258 of the Securities and Exchange Act B.E. 2535 (and as amended) of that shareholder holding shares of the Company in aggregate of more than 25%, 50% or 75% of the total voting rights of the Company after the capital increase. Such shareholder is obliged to make a tender offer for all securities of the Company (Tender Offer) according to the Notification of the Capital Market Supervisory Board No. TorJor. 12/2554 ("**Notice on Acquisition of Securities for Business Takeovers**"), unless such shareholder is exempted from making a tender offer for all securities of the Company in accordance with the Notice on Acquisition of Securities for Business Takeovers.

In this regard, the Board of Directors' Meeting approved to propose the Extraordinary General Meeting of Shareholders No. 1/2021 to consider and approve the authorization of the Board of Directors and/or Chief Executive Officer and/or Managing Director and/or attorneys authorized by the Board of Directors or Chief Executive Officer or Managing Director to have the power of attorney to act on behalf of the Company or individuals assigned by the Board of Directors or Executive Committee or Authorized Directors of the Company to have the power of attorney to proceed with necessary actions in relation with the allocation of the Company's newly issued ordinary shares e.g., (1) Determination and amendment of the subscription date and the date of sale of newly issued ordinary shares, once or periodic, allocation of newly issued ordinary shares, payment of shares including other conditions and details related to the subscription and offering of the newly issued ordinary shares (2) Entering into negotiations, making agreements and signing related documents and contracts as well as having the power to perform various actions related to the issuance, offering, and allocation of the above-mentioned newly issued ordinary shares, including but not limited to the preparation, signing, filing of an application for permission and documents related to the issuance and offering of newly issued ordinary shares to the Office of the Securities and Exchange Commission, including any relevant authorities (if any) and the listing of the Company's newly issued ordinary shares on the Stock Exchange and has the power to take any other necessary and appropriate actions

for the issuance and allocation of newly issued ordinary shares and offer to the existing shareholders in proportion to their shareholding of the Company under the framework of relevant laws.

1.2 The issuance and allocation of newly issued ordinary shares to accommodate the exercise of warrants to purchase newly issued ordinary shares of UBIS (Asia) Public Company Limited No. 1 (UBIS-W1)

Issue and allocate, not exceeding, 113,999,995 newly issued ordinary shares at a par value of Baht 1 per share to accommodate the issuance and offering of the warrant, UBIS-W1, not exceeding 113,999,995 units to existing shareholders in proportion to their existing shareholdings (Right Offering) free-of-charge (Baht zero) at the allocation ratio of 2 existing ordinary shares to 1 warrant unit of UBIS-W1, fractional shares are disregarded. UBIS-W1 has the exercise ratio of 1 UBIS-W1 warrant unit to 1 newly issued ordinary share. Such warrant has the term of 2 years since the issuance date of UBIS-W1 and an exercise price of Baht 7 per share (unless the case of adjustment of rights). The details of the warrant, UBIS-W1, are shown in the Summary of Key Features of Warrant to Purchase Newly Issued Ordinary Shares in UBIS (Asia) Public Company Limited (UBIS-W1) (Enclosure 1).

2. Objectives of the capital increase and plans for utilizing the increased capital

2.1 Objectives of the capital increase and plans for utilizing the increased capital

Due to our new project, a new factory will be built on the Company's land of 5 rai to provide space and tools to support the growth of the Company, both domestically and internationally. Including acquisitions and marketing strategies in the future. Moreover, due to the uncertainty of the economic situation both from domestic and abroad, include the negative factors in many parts, such as the epidemic situation (COVID-19), etc., its affect the Company's income and liquidity. Considering the necessity, we wish to issue new ordinary shares and the warrants to utilize the fund for our business expansion and/or new investment project, and for our company and subsidiaries business's working capital. The amount that the Company expects to receive comes from 2 parts as follows:

- 1) The offering of newly issued ordinary shares to the existing shareholders of the Company in proportion to their shareholding of approximately Baht 228 million.
- 2) The issuance of UBIS-W1 approximately Baht 798 million.

In the case of subscription for all newly issued ordinary shares and the full exercise of warrants under UBIS-W1, the Company will be able to raise a total of approximately 1,026 million Baht.

However, the Board of Directors is of the opinion that such proceeds the Company will receive from the capital increase and issuance of warrants will enhanced the liquidity and cash flow of the Company. The utilization plan are as follows:

Objective	Amount of capital (Baht)	Period of utilization
1. Enhance financial liquidity in operating projects and various investments in the future	700,000,000	within 1 - 2 year
2. Reserved for working capital	325,999,953	within 1 - 2 year
Total	1,025,999,953	

Effect of Shareholders (Dilution Effect)

2.2 In the case of issuance, offering, and allocation of newly issued ordinary share to existing shareholders in proportion to their shareholdings (Right Offering)

2.2.1 Control Dilution

After the issuance, offering, and allocation of newly issued ordinary share to existing shareholders in proportion to their shareholdings (Right Offering), in the event that all existing shareholders fully exercise their rights to subscribe for the newly issued shares. The voting rights of the Company's shareholders will not be affected (Control Dilution) and in the event that all existing shareholders do not exercise their right to purchase new shares at all, the Company will proceed to reduce the Company's registered capital by cancelling the remaining newly issued ordinary shares from the offering, the number of paid shares will remain unchanged and the voting rights of the Company's shareholder will not be affected. (Control Dilution).

But, in the event that some shareholders choose not to exercise their rights to subscribe for the newly issued ordinary shares and other shareholders exercise their rights to subscribe for newly issued ordinary shares according to their existing rights and/or to subscribe for newly issued ordinary shares in excess of the right (Oversubscription) in full amount of the subscription for newly issued ordinary shares. It will affect the voting rights of the Company's shareholders (Control Dilution), whereby the existing shareholders will have their voting rights approximately reduced by 20%, which can be calculated as follows:

$$\text{Control Dilution} = \frac{\text{Number of Right Offering Shares}}{\text{Number of Right Offering Shares} + \text{Number of paid-up shares}}$$

$$\text{Control Dilution} = \frac{56,999,997}{(56,999,997+227,999,991)}$$

Control Dilution 20%

2.2.2 Price Dilution

After the issuance, offering, and allocation of newly issued ordinary share to existing shareholders in proportion to their shareholdings (Right Offering), the effect on the Company's share price depends on the amount of exercise of rights to purchase new shares of each existing shareholder. If all existing shareholders do not exercise their right to purchase new shares at all, this will not affect the share price of the Company. However, if all existing shareholders fully exercise their rights, it will affect the price, which will be reduced by 11.42%. The effect can be calculated as follows:

$$\text{Price Dilution} = \frac{\text{Market price before offering}^{1/} - \text{Market price after offering}^{2/}}{\text{Market price before offering}}$$

$$\text{Price Dilution} = \frac{9.33 - 8.26}{9.33}$$

$$\text{Price Dilution} = 11.42\%$$

Remark

1/ Market price before offering = average market price of 15 business days between 23 September 2021 – 15 October 2021

2/ Market price after offering = $\frac{(\text{Market price} \times \text{number of paid-up shares}) + (\text{Offering price} \times \text{number of shares offered})}{\text{Number of paid-up shares} + \text{number of shares offered}}$

2.2.3 Earning Per Share Dilution or EPS. Dilution

After the issuance, offering, and allocation of newly issued ordinary share to existing shareholders in proportion to their shareholdings (Right Offering), in the event that all existing shareholders fully exercise their rights to subscribe for newly issued shares, the effect on earnings per share dilution will occur. The share of profit of the shareholders will decrease by approximately 20%, which can be calculated as follows.

$$\text{EPS Dilution} = \frac{\text{EPS before offering}^{3/} - \text{EPS after offering}^{4/}}{\text{EPS before offering}}$$

$$\text{EPS Dilution} = 20\%$$

Remark

Profit(Loss) (Last 4 Trimester according to the latest financial statements on June 30, 2021) = 109,386

Thousand Baht

3/ EPS before offering = (Profit for the latest fourth period / Paid-up capital) = 0.48 Baht per share

4/ EPS after offering = (Profit for the latest fourth period / Paid-up capital + ordinary share accommodating the exercise of the Right Offering) = 0.32 Baht per share

3. Board of Directors opinion**3.1 Reason and necessity for the capital increase**

The Board of Directors is of the opinion that the Company needs to increase its registered capital and issue new ordinary shares to accommodate the issuance and allocation of the Company's newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering) and to accommodate the exercise of the warrants under UBIS-W1. Moreover, this capital increase and issuance of new ordinary shares will help enhance the liquidity and increase the working capital for business operations, including to support operations in the main business, related business, and expansion of the Company's business in the future, help the Company build a stable and sustainable income base for both short- and long- term results, and increase business competitiveness in order to prepare for other business opportunities in the future.

3.2 Possibility for plans for utilizing funds

The Company expects to proceed with the issuance and offering of newly issued shares to the existing shareholders as well as receive the proceeds from the offering of such newly issued shares within 6 months from the date of the shareholders' meeting resolution to approve the offering of newly issued shares, by offering the newly issued ordinary shares as working capital and to support further business expansion in the future after the issuance and allocation of the Company's newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering) and exercise of rights to purchase ordinary shares under UBIS-W1

3.3 Reasonability of the capital increase plans and projects for utilizing funds including the adequacy of funding sources in the event that the proceeds from the capital increase and the full exercise of warrants do not cover the total budget required for the implementation of the project

The Board of Directors is of the opinion that the capital increase is reasonable due to the fact that the offering of newly issued ordinary shares is beneficial to the Company. It enhances the financial strength of the Company and the Company's financial flexibility for normal business operations and as a reserve to the Company's working capital, including to support further business expansion in the future, after the issuance and allocation of the Company's newly issued ordinary shares to existing shareholders in proportion to their shareholding (Right Offering) and after exercising their rights to purchase ordinary shares under the UBIS-W1.

In the event that the rights under the UBIS- W1 are not fully exercised, the amount of funds that the Company will receive is still sufficient to operate and help with the financial liquidity as working capital for the Company.

3.4 Expected impacts on the Company's business operations as well as the financial position and operating results of the Company due to capital increase

The Board of Directors considered and is of the opinion that when there is an issuance and allocation of the Company's newly issued ordinary shares to existing shareholders in proportion to their shareholdings (Right Offering) and a full exercise of rights to purchase ordinary shares under UBIS-W1, both events will strengthen the Company's financial position, in which the Company plans to use the proceeds from the capital increase as working capital and reserve for the Company's business operations, and to be ready and create financial flexibility for when opportunities for future business expansion arises. Therefore, such capital increase will not adversely affect the Company's business operations, financial position, and operating results. However, if the Company receives proceeds from the capital increase less than expected, such plans of utilizing funds may change.

4. Certification of the Board of Directors

The Board of Directors certifies that they have performed their duties with honesty and diligence to protect the interest of the Company, with regards to this capital increase. In the case that the Company's directors refuse to perform their duties with honesty and diligence to protect the interest of the Company in regards to the capital increase. If the failure to perform such duties causes damage to the Company's shareholders, the shareholders can sue for damages from the said director on behalf of the Company in accordance with Section 85 of the Public Company Act B.E. 2535 and if the performance of such duties causes the Board of Directors or any person involved to wrongful gains, shareholders can use the right to sue to recover benefits from that director instead, in accordance with Section 89/18 of the Securities and Exchange Act B.E. 2535

The Company hereby certifies that the information contained in this report is true and complete in all respects.



Signed Authorized Director

(Mr. Pruetthipong Tharaphimaan)



Signed Authorized Director

(Mr. Piyakun Kritayanutkul)