

IR.001/2020

8 January 2020

Re: Notification of Registered Capital Reduction, Registered Capital Increase, and Date of the Extraordinary General Meeting of the Shareholders No. 1/2020

To President

The Stock Exchange of Thailand

Attachments: 1. Capital Increase Report Form (F 53-4)  
2. Information Memorandum Regarding Offering of Newly Issued Ordinary Shares to Existing Shareholders in Proportion to Their Shareholding  
3. Information Memorandum Regarding Offering of Newly Issued Ordinary Shares to Private Placement

T Engineering Corporation Public Company Limited (the "Company") has held the Board of Directors Meeting No. 1/2020 on Wednesday 8 January 2020 at 13.00 hours, at Conference Hall, 15th floor, Rajanakarn Building, No. 3 South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok 10120. The Meeting has passed the following significant resolutions:

1. Resolved to propose to the shareholders' meeting to consider approving the reduction of registered capital of the Company from Baht 10,545,938,156 to Baht 10,114,938,156 by decreasing the number of registered shares which have not been sold or issued of 431,000,000 shares, with the par value of 1 Baht per share, which were allocated to support the right to purchase the increased ordinary shares according to warrants to purchase increased ordinary shares of the Company No. 4 (T-W4) that has expired, and the amendment to Clause 4 of the Company's Memorandum of Association to be in line with the reduction of registered capital of the Company.

2. Resolved to propose to the shareholders' meeting to consider approving the increase of registered capital of the Company in the amount of 2,711,493,815 Baht (after the above-mentioned reduction of registered capital by decreasing the number of registered shares which have not been purchased or issued), from the existing registered capital in the amount of 10,114,938,156 Baht to be the new registered capital of 12,826,431,971 Baht by issuing ordinary shares in the number of 2,711,493,815 shares, with the par value of 1 Baht per share, and the amendment to Clause 4 of the Company's Memorandum of Association to be in line with the increase of registered capital of the Company. The details are appeared in Attachment 1.

3. Resolved to propose to the shareholders' meeting to consider approving the allocation of increased ordinary shares of 1,011,493,815 shares for offering to existing shareholders in accordance with their shareholding ratio (Rights Offering), at the price of 0.03 Baht per share, with the ratio of 10 existing ordinary shares to 1 increased ordinary share. Any fraction of share will be rounded down. The existing shareholders



T ENGINEERING  
CORPORATION PCL

# บริษัท ที เอ็นจิเนียริ่ง คอร์ปอเรชั่น จำกัด (มหาชน) T Engineering Corporation Public Company Limited



ชั้นที่ 15 อาคารจันทนาการ เลขที่ 3 ถนนสาทรใต้ แขวงยานนาวา เขตสาทร กรุงเทพฯ 10120 โทร : 02-018-7190-8 แฟกซ์ : 02-018-7199 ทะเบียนเลขที่ 0107548000501  
15th Floor, Rajanakarn Building, 3 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel : 02-018-7190-8 Fax : 02-018-7199 Tax ID : 0107548000501

may oversubscribe for increased ordinary shares. The date to determine the name of shareholders who will be entitled to subscribe for increased ordinary shares in accordance with their shareholding ratio (Record Date) is on 5 March 2020. The date for the subscription of the increased ordinary shares, offered to the existing shareholders in accordance with their shareholding ratio is during 26 March 2020 to 1 April 2020. The Managing Director and/or the persons authorized by the Managing Director shall be authorized to take any actions in relation to such offering of the increased ordinary shares. The details are appeared in Attachment 2.

Such right to subscribe for the increased ordinary shares in accordance with shareholding ratio is uncertain since such matter must be approved by the shareholders' meeting of the Company.

4. Resolved to propose to the shareholders' meeting to consider approving the allocation of increased ordinary shares of 1,700,000,000 shares by way of Private Placement to non-related person(s) of the Company at the price of 0.03 Baht per share. The Managing Director and/or the persons authorized by the Managing Director shall be authorized to take any actions in relation to such offering of the increased ordinary shares. The details are appeared in Attachment 3.

5. Resolved to call for the Extraordinary General Meeting of Shareholders' No 1/2020 on 27 February 2020, at 10.00 hours, at the Conference Room, 8th floor, Rajanakarn Building, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120, according to the following agendas:

Agenda 1 To consider approving the minutes of the General Meeting of Shareholders for year 2019;

Agenda 2 To consider approving the reduction of registered capital of the Company by decreasing the number of registered shares which have not been sold or issued of 431,000,000 shares, with the par value of 1 Baht per share and the amendment to Clause 4 of the Company's Memorandum of Association to be in line with the reduction of registered capital of the Company;

Agenda 3 To consider approving the increase of registered capital of the Company in the amount of 2,711,493,815 Baht by issuing ordinary shares in the number of 2,711,493,815 shares, with the par value of 1 Baht per share, to be the new registered capital of 12,826,431,971 Baht and the amendment to Clause 4 of the Company's Memorandum of Association to be in line with the increase of registered capital of the Company;

Agenda 4 To consider approving the allocation of increased ordinary shares of 1,011,493,815 shares for offering to existing shareholders in accordance with their shareholding ratio (Rights Offering);



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บริษัท ที เอ็นจิเนียริ่ง คอร์ปอเรชั่น จำกัด (มหาชน)  
T Engineering Corporation Public Company Limited



ชั้นที่ 15 อาคารจักรนาการ เลขที่ 3 ถนนสาทรใต้ แขวงยานนาวา เขตสาทร กรุงเทพฯ 10120 โทร : 02-018-7190-8 แฟกซ์ : 02-018-7199 ทะเบียนเลขที่ 0107548000501  
15th Floor, Rajanakarn Building, 3 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel : 02-018-7190-8 Fax : 02-018-7199 Tax ID : 0107548000501

- Agenda 5 To consider approving the allocation of increased ordinary shares of 1,700,000,000 shares for offering by way of Private Placement;
- Agenda 6 To consider approving the retroactive directors' remuneration for the year 2019;
- Agenda 7 To consider approving the criteria for directors' remuneration payment; and
- Agenda 8 Other Matters (if any)

The date to determine the name of shareholders who will be entitled to attend the Extraordinary General Meeting of Shareholders' No 1/2020 (Record Date) is on 23 January 2020.

Please be informed accordingly.

Sincerely yours,

(Mr. Tradsin Chongussayakul)

Chief Executive Officer and Acting Managing Director  
T Engineering Corporation Public Company Limited

**Capital Increase Report Form**  
**T Engineering Corporation Public Company Limited**  
**8 January 2020**

T Engineering Corporation Public Company Limited (the "Company") would like to inform resolution of the board of director meeting number 1/2020 held on 8 January 2020 between 13.00 hours to 15.30 hours regarding capital reduction, capital increased, and allocation of newly issued ordinary shares as follows:

**1. Capital reduction and capital increased**

The Company's board of director resolved to approve following agenda:

- Reducing the Company's registered capital of THB 431,000,000 from existing registered capital of THB 10,545,938,156 to THB 10,114,938,156 by reducing ordinary shares that have not been issued of 431,000,000 shares, at par value of THB 1.00 per share, which are the shares reserved for exercise of the warrant to purchase the Company's ordinary shares no.4 (T-W4) which has been expired on 14 September 2019.
- Increase the Company's registered capital of THB 2,711,493,815 from THB 10,114,938,156 to THB 12,826,431,971 by issuing newly issued ordinary shares of 2,711,493,815 shares at par value of THB 1.00 per share.

The characteristic of capital increased are as follows:

Capital Increased	Type of shares	Number of shares	Par Value (THB per share)	Total (THB)
Specific purpose	Ordinary share	2,711,493,815	1.00	2,711,493,815

**2. Allocation of newly issued ordinary shares**

**2.1 Specific purpose**

Allocate to	Number of shares	Offering ratio (Existing : New)	Offering price (THB per share)	Subscription date and time as well as method of payment	Remark
Existing shareholder in proportion to their shareholding (Rights Offering)	Not exceeding 1,011,493,815	10 existing shares to 1 newly issued ordinary share	0.03	Please see remark 1	Please see remark 1

Allocate to	Number of shares	Offering ratio (Existing : New)	Offering price (THB per share)	Subscription date and time as well as method of payment	Remark
Private placement	Not exceeding 1,700,000,000	- None -	0.03	Please see remark 2	Please see remark 2

#### Remark

The Company's board of director no.1/2020 held on 8 January 2020 resolved to propose to the extraordinary general meeting of shareholders no.1/2020 to consider approving increased of the Company's registered capital of THB 2,711,493,815 from THB 10,114,938,156 to THB 12,826,431,971 by issuing newly issued ordinary shares of 2,711,493,815 shares at par value of THB 1.00 per share.

The allocation of offered shares are as follows:

1. Allotting newly issued ordinary shares not exceeding 1,011,493,815 shares, at par value of THB 1.00 per share, to existing shareholder in proportion to their shareholding (Rights Offering) at the offering ratio of 10 existing shares to 1 newly issued ordinary share, any fraction shall be discarded, at offering price of THB 0.03 per share. In this regards, the Company's market price is THB 0.0406 per share. The "market price" is volume weighted average price of the Company' shares traded in the market for alternative investment for 15 business days prior to the date that the Company's board of director resolved to propose to the Company's shareholder meeting to approve the offered of newly issued ordinary shares (between 16 December 2019 to 7 January 2020). The price use for the calculation is the average trading price in each day. In this regards, the offering price at THB 0.03 per share representing discount of 26.11 percent from market price of THB 0.0406 per share.

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.

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.

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In case the number of residual newly issued ordinary shares is less than number of newly issued ordinary shares which have been subscribe in excess

The Company will allot newly issued ordinary shares to all shareholders who state their intention to subscribe shares in excess of their rights and has paid in full amount according to their shareholding until all shares have been subscribed or are not be able to allot due to the fraction of shares.

In this regards, in case there are residual shares from allotment to existing shareholders in proportion to their shareholding, the Company will propose to the shareholder meeting to consider reducing of the Company's registered capital in order to reduce number of residual shares from allotment.

The capital increased and allotment of newly issued ordinary shares will be able to proceed only when the extraordinary general meeting of shareholders no.1/2020, which will be held on 27 February 2020, approve capital increased and allotment of 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 5 March 2020 and specify the subscription date of newly issued ordinary shares allotted to existing shareholders in proportion to their shareholding between 26 March 2020 to 1 April 2020.

The Company's board of director no.1/2020 held on 8 January 2020 resolved to propose to the extraordinary general meeting of shareholders no.1/2020 to consider authorizing the Managing Director and/or the person authorized by the Managing Director 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:

- (A) Specifying details relating to offering of newly issued ordinary shares, e.g. method for subscription of newly issued ordinary shares, payment method, and other relevant matters.
- (B) 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, register of capital increased with the Ministry of Commerce, and listing or the newly issued ordinary shares in the market for alternative investment, as well as contact and submit application, documents, and evidences to government agency, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, and/or relevant agencies as deemed appropriate and conform with relevant law and regulation.

- (C) Perform any action that is necessary and relevant to offering of newly issued ordinary shares.
2. Allotting newly issued ordinary shares not exceeding 1,700,000,000 shares, at par value of THB 1.00 per share, to private placement pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Approval for Listed Companies to Offer Newly Issued Shares through Private Placement dated 28 October 2015 (as amended) by offering to Mr.Santi Piyatat, in which that person is not considered as connected person pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (as amended) and 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 Connected Transactions, 2003 dated 19 November 2003 (as amended).

The offering price is THB 0.03 per share which is equal to offering price of newly issued ordinary shares to existing shareholders in proportion to their shareholding (Rights Offering) and referred from the Company's book value as of 30 September 2019 which is THB 0.0282 per share. In this regards, the Company doesn't refer offering price from discounted cash flow approach as the Company continuously report loss since 2016 and even the Company report profit of THB 28.32 million in nine-month period ended 30 September 2019; however, that profit is result of reversal from termination of construction contract of THB 70.73 million. Thus, by not considering that non-recurring item, the Company still report loss.

In this regards, the Company's market price is THB 0.0406 per share. The "market price" is volume weighted average price of the Company' shares traded in the market for alternative investment for 15 business days prior to the date that the Company's board of director resolved to propose to the Company's shareholder meeting to approve the offered of newly issued ordinary shares (between 16 December 2019 to 7 January 2020). The price use for the calculation is the average trading price in each day. In this regards, the offering price at THB 0.03 per share representing discount of 26.11 percent from market price of THB 0.0406 per share. Thus, the offering of newly issued ordinary shares to private placement is considered as offering of newly issued ordinary shares to private placement less than 90 percent of market price and considered as the offering at low price pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Approval for Listed Companies to Offer Newly Issued Shares through Private Placement dated 28 October 2015 (as amended).

The Company's board of director no.1/2020 held on 8 January 2020 resolved to propose to the extraordinary general meeting of shareholders no.1/2020 to consider authorizing the Managing Director and/or the person authorized by the Managing Director to conduct various matters relating to offering of newly issued ordinary shares to private placement, including but not limited to:

- (A) Specifying details relating to offering of newly issued ordinary shares, e.g. method for subscription of newly issued ordinary shares, subscription period, payment method, and other relevant matters.
- (B) 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, register of capital increased with the Ministry of Commerce, and listing of the newly issued ordinary shares in the market for alternative investment, as well as contact and submit application, documents, and evidences to government agency, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, and/or relevant agencies as deemed appropriate and conform with relevant law and regulation.
- (C) Perform any action that is necessary and relevant to offering of newly issued ordinary shares.

In this regards, the offering of newly issued ordinary shares to private placement must get approval from the shareholder meeting and there is no shareholders holding shares in aggregate from 10.00 percent of total number of voting rights of shareholders who attend meeting and have rights to vote veto the offering of newly issued ordinary shares. In addition, the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Approval for Listed Companies to Offer Newly Issued Shares through Private Placement dated 28 October 2015 (as amended), the offering of newly issued ordinary shares to private placement at exact offering price must be finished within 3 months from the date that shareholder meeting approve the offering of newly issued ordinary shares to private placement.

Furthermore, the offering price at THB 0.03 per shares is considered as offering at price lower than par value of the Company's ordinary shares. Thus, the Company must comply with section 52 of Public Limited Company Act B.E.2535 (as amended) which must get approval from the shareholder meeting.

## **2.2 The Company's action in case there are fraction of shares**

In case there are fraction of shares after allotment of shares to existing shareholders in proportion to their shareholding (Rights Offering), the fraction shall be discarded.



**3. Date of extraordinary general meeting of shareholders for considering capital increased and allotment of newly issued ordinary shares**

Specify extraordinary general meeting of shareholders no.1/2020 on 27 February 2020, at 10.00 hours, at the Conference Room, 8th floor, Rajanakarn Building, No. 3, South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok 10120 by specifying list of shareholders whose entitle to attend shareholder meeting (Record date) on 23 January 2020.

**4. Requesting of approval for capital increased/allotment of newly issued ordinary shares from relevant government agencies and condition for approval (if any)**

4.1 The Company will submit application for reducing registered capital, increasing registered capital, amending memorandum of association, and changing of paid-up capital to Department of Business Development, Ministry of Commerce.

4.2 The Company will submit application for listing the newly issued ordinary shares to the Stock Exchange of Thailand.

**5. Objective of capital increase and use of proceed**

The Company need to conduct capital increased as the Company need working capital for business operation. The Company has continuously report loss since 2016. As of 30 September 2019, the Company has cash and cash equivalent only THB 12.83 million while the Company has average monthly fixed expenses of THB 6 million to THB 7 million. Furthermore, if considering capital structure, the Company has debt to equity ratio of 1.34 time. In this regards, after the capital increased, the Company will have enough working capital for business operation.

**6. The benefit to the Company from capital increased/allotment of newly issued ordinary shares**

The Company will receive proceed from issuing newly issued ordinary shares to private placement not exceeding THB 51,000,000.00 and offering of newly issued ordinary shares to existing shareholders in proportion to their shareholding not exceeding THB 30,344,814.45. The Company can use aforesaid proceed to use as working capital in business operation. The capital increased will strengthen the Company's liquidity as well as expanding the Company business.

**7. The benefit to the shareholders from capital increased/allotment of newly issued ordinary shares**

**7.1 Dividend policy**

The Company has policy to pay dividend not less than 50 percent of net profit after tax and legal reserve. In this regards, the dividend payment may change and subject to performance, business expansion plan, liquidity, necessity, and any matter deemed appropriate in future. The Company's board of director is authorized to perform for the best benefit of shareholders.

## 7.2 Rights to receive dividend from operating result

The subscriber will have rights to receive dividend after they have been registered as the Company's shareholders.

## 8. Other details that deemed necessary for shareholders to consider approving of capital increased/allotment of newly issued ordinary shares

In order to determine effect to the shareholders in term of control dilution and price dilution can be divided in to 3 cases as follows:

Case 1: The Company offer newly issued ordinary shares to existing shareholder in proportion to their shareholding (Rights Offering); however, some of shareholders don't exercise their rights to subscribe newly issued ordinary shares but other shareholders subscribe newly issue ordinary shares in excess and all shares are offered. The Company offer newly issued ordinary shares to private placement in full.

Case 2: The Company offer newly issued ordinary shares to existing shareholder in proportion to their shareholding (Rights Offering); however, some of shareholders don't exercise their rights to subscribe newly issued ordinary shares but other shareholders subscribe newly issue ordinary shares in excess and all shares are offered. The Company doesn't offer newly issued ordinary shares to private placement.

Case 3: The Company doesn't offer newly issued ordinary shares to existing shareholder in proportion to their shareholding (Rights Offering). The Company offer newly issued ordinary shares to private placement in full.

Qx      mean      Number of the Company's issued and paid-up shares as of 8 January 2020, which is 10,114,938,156 shares.

Qr      mean      Number of newly issued ordinary shares to be offered to existing shareholder in proportion to their shareholding not exceeding 1,011,493,815 shares.

Qp      mean      Number of newly issued ordinary shares to be offered to private placement not exceeding 1,700,000,000 shares.

Px      mean      The Company's market price is THB 0.0406 per share. The "market price" is volume weighted average price of the Company' shares traded in the market for alternative investment for 15 business days prior to the date that the Company's board of director resolved to propose to the Company's shareholder meeting to approve the offered of newly issued ordinary shares (between 16 December 2019 to 7 January 2020).

Pr      mean      Offering price of newly issued ordinary shares to be offered to existing shareholder in proportion to their shareholding (Rights Offering) at offering price of THB 0.03 per share.

Pp mean Offering price of newly issued ordinary shares to be offered to private placement at offering price of THB 0.03 per share.

Pa mean Market price after offering of newly issued ordinary shares.

### 8.1 Control Dilution

Control Dilution can be determined as per following formula:

$$\text{Control Dilution} = \frac{\text{Number of newly issued ordinary shares}}{\text{Number of the Company's issued and paid-up shares} + \text{Number of newly issued ordinary shares}}$$

#### Case 1

$$\begin{aligned} \text{Control Dilution} &= \frac{Q_r + Q_p}{Q_x + Q_r + Q_p} \\ &= \frac{1,011,493,815 + 1,700,000,000}{10,114,938,156 + 1,011,493,815 + 1,700,000,000} \\ &= 21.14 \text{ percent} \end{aligned}$$

#### Case 2

$$\begin{aligned} \text{Control Dilution} &= \frac{Q_r}{Q_x + Q_r} \\ &= \frac{1,011,493,815}{10,114,938,156 + 1,011,493,815} \\ &= 9.09 \text{ percent} \end{aligned}$$

#### Case 3

$$\begin{aligned} \text{Control Dilution} &= \frac{Q_p}{Q_x + Q_p} \\ &= \frac{1,700,000,000}{10,114,938,156 + 1,700,000,000} \\ &= 14.39 \text{ percent} \end{aligned}$$

## 8.2 Price Dilution

Price Dilution can be determined as per following formula:

$$\text{Price Dilution} = \frac{\text{Market price before offering} - \text{Market price after offering}}{\text{Market price before offering}}$$

$$\text{Pa} = \frac{(\text{Market price before offering} * \text{Number of the Company's issued and paid-up shares}) + (\text{Offering price of newly issued ordinary shares} * \text{Number of newly issued ordinary shares})}{\text{Number of the Company's issued and paid-up shares} + \text{Number of newly issued ordinary shares}}$$

### Case 1

$$\text{Pa} = \frac{(\text{Px} * \text{Qx}) + (\text{Pr} * \text{Qr}) + (\text{Pp} * \text{Qp})}{\text{Qx} + \text{Qr} + \text{Qp}}$$

$$= \frac{(10,114,938,156 * 0.0406) + (0.03 * 1,011,493,815) + (0.03 * 1,700,000,000)}{10,114,938,156 + 1,011,493,815 + 1,700,000,000}$$

$$= 0.0384$$

$$\text{Price Dilution} = \frac{\text{Px} - \text{Pa}}{\text{Px}}$$

$$= \frac{0.0406 - 0.0384}{0.0406}$$

$$= 5.52 \text{ Percent}$$

Case 2

$$\begin{aligned} Pa &= \frac{(Px * Qx) + (Pr * Qr)}{Qx + Qr} \\ &= \frac{(10,114,938,156 * 0.0406) + (0.03 * 1,011,493,815)}{10,114,938,156 + 1,011,493,815} \\ &= 0.0396 \end{aligned}$$

$$\begin{aligned} \text{Price Dilution} &= \frac{Px - Pa}{Px} \\ &= \frac{0.0406 - 0.0396}{0.0406} \\ &= 2.37 \text{ Percent} \end{aligned}$$

Case 3

$$\begin{aligned} Pa &= \frac{(Px * Qx) + (Pp * Qp)}{Qx + Qp} \\ &= \frac{(10,114,938,156 * 0.0406) + (0.03 * 1,700,000,000)}{10,114,938,156 + 1,700,000,000} \\ &= 0.0391 \end{aligned}$$

$$\begin{aligned} \text{Price Dilution} &= \frac{Px - Pa}{Px} \\ &= \frac{0.0406 - 0.0391}{0.0406} \\ &= 3.76 \text{ percent} \end{aligned}$$

9. Timeframe incase the Company's board of directors approve capital increased/allotment of newly issued ordinary shares

No.	Task	Date Month Year
1.	The board of director meeting no.1/2020	8 January 2020
2.	The date to specify list of shareholders whose entitle to attend extraordinary general meeting of shareholders no.1/2020	23 January 2020
3.	Extraordinary general meeting of shareholders no.1/2020	27 February 2020
4.	Submit application to reduce registered capital, increase registered capital, amend memorandum of association to Department of Business Development, Ministry of Commerce	Within 14 days from the date that shareholder meeting approve
5.	Submit private placement application to the Office of the Securities and Exchange Commission	After the shareholder meeting approve
6.	The date to specify list of shareholders whose entitle to subscribe newly issued ordinary shares offered to existing shareholders in proportion to their shareholding	5 March 2020
7.	Subscription date for newly issued ordinary shares offered to private placement	Will inform later
8.	Subscription date for newly issued ordinary shares offered to existing shareholders in proportion to their shareholding	26 March 2020 to 1 April 2020
9.	Register change of paid-up capital with Department of Business Development, Ministry of Commerce	Within 14 days after ended of each subscription period
10.	Newly issued ordinary shares commence to trade in the Stock Exchange of Thailand	Will inform later

**Remark:** Above timeframe may be changed

The Company hereby certify that information in this information memorandum is correct and complete.

Signatory ..... Authorized director of the Company  
(Mr. Tradsin Chongussayakul  
Director, Chief Executive Officer and  
Acting Managing Director

Signatory ..... Authorized director of the Company  
(Miss Pathamakorn Buranasin)  
Director and Deputy Managing Director  
General Administrative

Affix Company's Seal

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**Information Memorandum Regarding Offering of  
Newly Issued Ordinary Shares to Existing Shareholders in Proportion to Their Shareholding**

**1. Newly issued ordinary shares offering details**

**1.1 Number of newly issued ordinary shares**

Not exceeding 1,011,493,815 shares, or equivalent to 10 of the Company's issued and paid-up shares as of 8 January 2020.

**1.2 Determination of offering price and market price**

The offering price is THB 0.03 per share referred from the Company's book value as of 30 September 2019 which is THB 0.0282 per share. In this regards, the Company doesn't refer offering price from discounted cash flow approach as the Company continuously report loss since 2016 and even the Company report profit of THB 28.32 million in nine-month period ended 30 September 2019; however, that profit is result of reversal from termination of construction contract of THB 70.73 million. Thus, by not considering that non-recurring item, the Company still report loss.

In this regards, the Company's market price is THB 0.0406 per share. The "market price" is volume weighted average price of the Company' shares traded in the market for alternative investment for 15 business days prior to the date that the Company's board of director resolved to propose to the Company's shareholder meeting to approve the offered of newly issued ordinary shares (between 16 December 2019 to 7 January 2020). The price use for the calculation is the average trading price in each day. In this regards, the offering price at THB 0.03 per share representing discount of 26.11 percent from market price of THB 0.0406 per share.

**1.3 Offering and allocation method**

Offer to existing shareholder in proportion to their shareholding (Rights Offering) at the offering ratio of 10 existing shares to 1 newly issued ordinary share, 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.



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.

In case the number of residual newly issued ordinary shares is less than number of newly issued ordinary shares which have been subscribe in excess

The Company will allot newly issued ordinary shares to all shareholders who state their intention to subscribe shares in excess of their rights and has paid in full amount according to their shareholding until all shares have been subscribed or are not be able to allot due to the fraction of shares.

The capital increased and allotment of newly issued ordinary shares will be able to proceed only when the extraordinary general meeting of shareholders no.1/2020, which will be held on 27 February 2020, approve capital increased and allotment of 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 5 March 2020 and specify the subscription date of newly issued ordinary shares allotted to existing shareholders in proportion to their shareholding between 26 March 2020 to 1 April 2020.

The Managing Director and/or the person authorized by the Managing Director 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:

- (A) Specifying details relating to offering of newly issued ordinary shares, e.g. method for subscription of newly issued ordinary shares, payment method, and other relevant matters.
- (B) 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, register of capital increased with the Ministry of Commerce, and listing or the newly issued ordinary shares in the market for alternative investment, as well as contact and submit application, documents, and evidences to government agency, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, and/or relevant agencies as deemed appropriate and conform with relevant law and regulation.
- (C) Perform any action that is necessary and relevant to offering of newly issued ordinary shares.

#### 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 5 March 2020 and specify the subscription date of newly issued ordinary shares allotted to existing shareholders in proportion to their shareholding between 26 March 2020 to 1 April 2020.

The capital increased and allotment of newly issued ordinary shares will be able to proceed only when the extraordinary general meeting of shareholders no.1/2020, which will be held on 27 February 2020, approve capital increased and allotment of newly issued ordinary shares.

#### 2. Objective of capital increase and use of proceed

The Company need to conduct capital increased as the Company need working capital for business operation. The Company has continuously report loss since 2016. As of 30 September 2019, the Company has cash and cash equivalent only THB 12.83 million while the Company has average monthly fixed expenses of THB 6 million to THB 7 million. Furthermore, if considering capital structure, the Company has debt to equity ratio of 1.34 time. In this regards, after the capital increased, the Company will have enough working capital for business operation.

#### 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 don't subscribe for newly issued ordinary shares shall be affected by control dilution of 9.09 percent.

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).

$$\begin{aligned}
 \text{Control Dilution} &= \frac{\text{Number of newly issued ordinary shares offered to} \\
 &\quad \text{existing shareholders in proportion to their shareholding}}{\text{Number of the Company's issued and paid-up shares and +} \\
 &\quad \text{Number of newly issued ordinary shares offered to} \\
 &\quad \text{existing shareholders in proportion to their shareholding}} \\
 &= \frac{1,011,493,815}{10,114,938,156 + 1,011,493,815} \\
 &= 9.09 \text{ percent}
 \end{aligned}$$

### 3.2 Price Dilution

After offering of newly issued ordinary shares to existing shareholders in proportion to their shareholding (Rights Offering), the shareholders who don't subscribe for newly issued ordinary shares shall be affected by price dilution of 2.37 percent.

The dilution is calculated by difference of (1) market price before offering and (2) market price after offering divided by market price before offering.

$$\begin{aligned}
 \text{Market price after offering} &= \frac{(\text{Market price before offering} * \text{Number of the Company's issued and paid-up shares}) + (\text{Offering price of newly issued ordinary shares} * \text{Number of newly issued ordinary shares offered to existing shareholders in proportion to their shareholding})}{\text{Number of the Company's issued and paid-up shares} + \text{offered to existing shareholders in proportion to their shareholding}} \\
 &= \frac{(10,114,938,156 * 0.0406) + (0.03 * 1,011,493,815)}{10,114,938,156 + 1,011,493,815} \\
 &= 0.0396 \\
 \\
 \text{Price Dilution} &= \frac{\text{Market price before offering} - \text{Market price after offering}}{\text{Market price before offering}} \\
 &= \frac{0.0406 - 0.0396}{0.0406} \\
 &= 2.37 \text{ Percent}
 \end{aligned}$$

In this regards, the Company's board of directors opine that even the Company's shareholders will be affect as aforementioned; however, by offering of newly issued ordinary shares to existing shareholders in proportion to their shareholding (Rights Offering), the Company will receive proceed from capital increased in which the Company can use aforesaid proceed to use as working capital in business operation. The capital increased will strengthen the Company's liquidity as well as expanding the Company business.

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**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 director opine that by offering of newly issued ordinary shares to existing shareholders in proportion to their shareholding (Rights Offering), the Company will receive proceed from capital increased in which the Company can use aforesaid proceed to use as working capital in business operation. The capital increased will strengthen the Company's liquidity as well as expanding the Company business.

**4.2 Possibility of use of proceed plan**

The Company's board of director opine that the Company can utilize proceed by using as the working capital in business operation. In this regards, The Company has continuously report loss since 2016. As of 30 September 2019, the Company has cash and cash equivalent only THB 12.83 million while the Company has average monthly fixed expenses of THB 6 million to THB 7 million.

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

The Company's board of director opine that the capital increased as well as use of proceed plan is deemed appropriate as the Company need working capital for business operation. The Company has continuously report loss since 2016. As of 30 September 2019, the Company has cash and cash equivalent only THB 12.83 million while the Company has average monthly fixed expenses of THB 6 million to THB 7 million. In this regards, the Company's board of director opine the proceed receive from offering of newly issued ordinary shares to private placement not exceeding THB 51,000,000.00 and offering of newly issued ordinary shares to existing shareholders in proportion to their shareholding (Rights Offering) not exceeding THB 30,344,814.45 is sufficient for the Company's business operation.

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

The Company's board of director opine that the capital increased will strengthen the Company's liquidity as well as expanding the Company business.

**5. The board of directors certified regarding capital increased**

In case the Company's directors don't perform their duty with fiduciary 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 can sue for the claim 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 can sue for the claim from such director on behalf of the Company pursuant to section 89/18 of Securities and Exchange Act B.E.2535 (as amended).

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## Information Memorandum Regarding Offering of Newly Issued Ordinary Shares to Private Placement

### 1. Newly issued ordinary shares offering details

#### 1.1 Number of newly issued ordinary shares

Not exceeding 1,700,000,000 shares, or equivalent to 16.81 of the Company's issued and paid-up shares as of 8 January 2020.

#### 1.2 Determination of offering price and market price

The offering price is THB 0.03 per share which is equal to offering price of newly issued ordinary shares to existing shareholders in proportion to their shareholding (Rights Offering) and referred from the Company's book value as of 30 September 2019 which is THB 0.0282 per share. In this regards, the Company doesn't refer offering price from discounted cash flow approach as the Company continuously report loss since 2016 and even the Company report profit of THB 28.32 million in nine-month period ended 30 September 2019; however, that profit is result of reversal from termination of construction contract of THB 70.73 million. Thus, by not considering that non-recurring item, the Company still report loss.

In this regards, the Company's market price is THB 0.0406 per share. The "market price" is volume weighted average price of the Company' shares traded in the market for alternative investment for 15 business days prior to the date that the Company's board of director resolved to propose to the Company's shareholder meeting to approve the offered of newly issued ordinary shares (between 16 December 2019 to 7 January 2020). The price use for the calculation is the average trading price in each day. In this regards, the offering price at THB 0.03 per share representing discount of 26.11 percent from market price of THB 0.0406 per share. Thus, the offering of newly issued ordinary shares to private placement is considered as offering of newly issued ordinary shares to private placement less than 90 percent of market price and considered as the offering at low price pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Approval for Listed Companies to Offer Newly Issued Shares through Private Placement dated 28 October 2015 (as amended).

Furthermore, in case the offering price is lower than 90 percent of market price, in which market price is volume weighted average price of the Company' shares traded in the market for alternative investment between 7 and 15 business days prior to the first day of subscription period of newly issued ordinary shares offered to private placement, the subscribe will not be able to sell allotted shares for 1 year from the date that such newly issued ordinary shares have been traded in the market for alternative investment; however, after aforesaid shares have been

traded for six months, the subscriber will be able to sell shares of 25 percent of the total number of shares that are prohibited to sell pursuant to the Notification of the Stock Exchange of Thailand Re : Rules, Conditions and Procedures Governing the Listing of Ordinary or Preferred Shares Issued for Capital Increase B.E. 2558 (as amended)

### 1.3 Offering and allocation method

Offer to private placement pursuant to the Notification of the Capital Market Supervisory Board No. Tor.Jor. 72/2558 Re: Approval for Listed Companies to Offer Newly Issued Shares through Private Placement dated 28 October 2015 (as amended)

The details of list of subscriber as per private placement appeared in 1.4 in which that person is not considered as connected person pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (as amended) and 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 Connected Transactions, 2003 dated 19 November 2003 (as amended).

The Managing Director and/or the person authorized by the Managing Director to conduct various matters relating to offering of newly issued ordinary shares to private placement, including but not limited to:

- (A) Specifying details relating to offering of newly issued ordinary shares, e.g. method for subscription of newly issued ordinary shares, subscription period, payment method, and other relevant matters.
- (B) 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, register of capital increased with the Ministry of Commerce, and listing or the newly issued ordinary shares in the market for alternative investment, as well as contact and submit application, documents, and evidences to government agency, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, and/or relevant agencies as deemed appropriate and conform with relevant law and regulation.
- (C) Perform any action that is necessary and relevant to offering of newly issued ordinary shares.

#### 1.4 Name and information of invested whom will be allotted newly issued ordinary shares

Name	Mr. Santi Piyatat
Number of allotted shares	1,700,000,000 shares
Education	<ul style="list-style-type: none"> <li>- Master Degree in Law, International &amp; Comparative Law Chicago-Kent College of Law</li> <li>- Master Degree in Law, Chulalongkorn University</li> <li>- Bachelor Degree in Law, Thammasat University</li> <li>- Thai Barrister, The Thai Bar under the Royal Patronage</li> </ul>
Occupation	Businessman
Work experienced	<ul style="list-style-type: none"> <li>- 2017 to present Director and chief operating officer The Thai Setakij Insurance Public Company Limited</li> <li>- 2018 to present Director and managing director K.C. Property Public Company Limited</li> </ul>
Relationship with the Company	Not consider as connected person and doesn't have any relationship with the Company as well as the Company's director, management, and major shareholder.
Reason for allotment	The Company opine that Mr.Santi Piyatat who have reputation in various business including property development. Mr.Santi Piyatat has capability to refer appropriate opportunity on new business to the Company.

#### 2. Objective of capital increase and use of proceed

The Company need to conduct capital increased as the Company need working capital for business operation. The Company has continuously report loss since 2016. As of 30 September 2019, the Company has cash and cash equivalent only THB 12.83 million while the Company has average monthly fixed expenses of THB 6 million to THB 7 million. Furthermore, if considering capital structure, the Company has debt to equity ratio of 1.34 time. In this regards, after the capital increased, the Company will have enough working capital for business operation.

### 3. Dilution Effect and worthiness compared to effect

#### 3.1 Control Dilution

After offering of newly issued ordinary shares to private placement, the existing shareholders shall be affected by control dilution of 14.39 percent.

The dilution is calculated by number of newly issued ordinary shares offered to private placement 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 private placement.

$$\begin{aligned}
 \text{Control Dilution} &= \frac{\text{Number of newly issued ordinary shares offered to private placement}}{\text{Number of the Company's issued and paid-up shares} + \text{Number of newly issued ordinary shares offered to private placement}} \\
 &= \frac{1,700,000,000}{10,114,938,156 + 1,700,000,000} \\
 &= 14.39 \text{ percent}
 \end{aligned}$$

#### 3.2 Price Dilution

After offering of newly issued ordinary shares to private placement, the existing shareholders shall be affected by price dilution of 3.76 percent.

The dilution is calculated by difference of (1) market price before offering and (2) market price after offering divided by market price before offering.

$$\begin{aligned}
 \text{Market price after offering} &= \frac{(\text{Market price before offering} * \text{Number of the Company's issued and paid-up shares}) + (\text{Offering price of newly issued ordinary shares} * \text{Number of newly issued ordinary shares offered to private placement})}{\text{Number of the Company's issued and paid-up shares} + \text{Number of newly issued ordinary shares offered to private placement}} \\
 &= \frac{(10,114,938,156 * 0.0406) + (0.03 * 1,700,000,000)}{10,114,938,156 + 1,700,000,000} \\
 &= 0.0391
 \end{aligned}$$



$$\begin{aligned}
 \text{Price Dilution} &= \frac{\text{Market price before offering} - \text{Market price after offering}}{\text{Market price before offering}} \\
 &= \frac{0.0406 - 0.0391}{0.0406} \\
 &= 3.76 \text{ Percent}
 \end{aligned}$$

In this regards, the Company's board of directors opine that even the Company's shareholders will be affect as aforementioned; however, by offering of newly issued ordinary shares to private placement, the Company will receive proceed from capital increased within short period in which the Company can use aforesaid proceed to use as working capital in business operation. The capital increased will strengthen the Company's liquidity as well as expanding the Company business.

#### 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 director opine that by offering of newly issued ordinary shares to private placement, the Company will receive proceed from capital increased within short period in which the Company can use aforesaid proceed to use as working capital in business operation. The capital increased will strengthen the Company's liquidity. Furthermore, if considering the Company's operating result which continuously report loss, offering of newly issued ordinary shares to existing shareholders in proportion to their shareholding may not be success or if offer newly issued ordinary shares to existing shareholders and offer residual shares to private placement may spend longer time which may negatively affect the Company's liquidity if the Company materially need working capital.

##### 4.2 Possibility of use of proceed plan

The Company's board of director opine that the Company can utilize proceed by using as the working capital in business operation. In this regards, The Company has continuously report loss since 2016. As of 30 September 2019, the Company has cash and cash equivalent only THB 12.83 million while the Company has average monthly fixed expenses of THB 6 million to THB 7 million.

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

The Company's board of director opine that the capital increased as well as use of proceed plan is deemed appropriate as the Company need working capital for business operation. The Company has continuously report loss since 2016. As of 30 September 2019, the Company has cash and cash equivalent only THB 12.83 million while the Company has average monthly fixed expenses of THB 6 million to THB 7 million. In this regards, the Company's board of director opine the proceed receive from offering of newly issued ordinary shares to private placement not exceeding THB 51,000,000.00 and offering of newly issued ordinary shares to existing shareholders in proportion to their shareholding (Rights Offering) not exceeding THB 30,344,814.45 is sufficient for the Company's business operation.

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

The Company's board of director opine that the capital increased will strengthen the Company's liquidity as well as expanding the Company business.

**4.5 Appropriateness of newly issued ordinary shares offering price**

The Company's board of director opine that offering price is appropriateness by referred from the Company's book value as of 30 September 2019 which is THB 0.0282 per share. In this regards, the Company doesn't refer offering price from discounted cash flow approach as the Company continuously report loss since 2016 and even the Company report profit of THB 28.32 million in nine-month period ended 30 September 2019; however, that profit is result of reversal from termination of construction contract of THB 70.73 million. Thus, by not considering that non-recurring item, the Company still report loss. Furthermore, if considering construction industry circumstance it may not be appropriate to offer newly issued ordinary shares at market price which may not attract investor to subscribe newly issued ordinary shares.

The Company's market price is THB 0.0406 per share. The "market price" is volume weighted average price of the Company' shares traded in the market for alternative investment for 15 business days prior to the date that the Company's board of director resolved to propose to the Company's shareholder meeting to approve the offered of newly issued ordinary shares (between 16 December 2019 to 7 January 2020). The price use for the calculation is the average trading price in each day. In this regards, the offering price at THB 0.03 per share representing discount of 26.11 percent from market price of THB 0.0406 per share.

**4.6 Reason and necessity of offering newly issued ordinary shares to private placement**

The Company's board of director opine that Mr.Santi Piyatat have reputation in various business including property development. Mr.Santi Piyatat has capability to refer appropriate opportunity on new business to the Company.

**4.7 Worthiness of benefit receive from private placement compared to offering newly issued ordinary shares at low price**

The effect from share-based payment will be determined by difference of the Company's market price on the date that shareholder meeting approve issuing newly issued ordinary shares to private placement on 27 February 2020 and offering price of newly issued ordinary shares to be offered to private placement at THB 0.03 per share.

In this regards, if considering the Company's market price in which "market price" is volume weighted average price of the Company' shares traded in the market for alternative investment for 15 business days prior to the date that the Company's board of director resolved to propose to the Company's shareholder meeting to approve the offered of newly issued ordinary shares (between 16 December 2019 to 7 January 2020). The price use for the calculation is the average trading price in each day. The Company will be affected from share-based payment of THB 18.02 million; however, the actual effect will be depended on the Company's market price on the date that shareholder meeting approve issuing newly issued ordinary shares to private placement on 27 February 2020.

The Company's board of director opine that even the Company may be affected from share-based payment; however, by offering newly issued ordinary shares to private placement, the Company will receive proceed from capital increased within short period in which the Company can use aforesaid proceed to use as working capital in business operation.

**5. Rights of shareholders to veto offering of newly issued ordinary shares at low price**

The offering of newly issued ordinary shares to private placement must not have shareholders holding shares in aggregate from 10.00 percent of total number of voting rights of shareholders who attend meeting and have rights to vote veto the offering of newly issued ordinary shares.

**6. The board of directors certified regarding capital increased**

1. In case the Company's directors don't perform their duty with fiduciary 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 can sue for the claim 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 can sue for the claim from such director on behalf of the Company pursuant to section 89/18 of Securities and Exchange Act B.E.2535 (as amended).
2. Has considered and audited investor information with prudent and opine that the investor has capability to invest.