

## Information Memorandum on the Issuance and Offering of Newly Issued Ordinary Shares of NCL International Logistics Public Company Limited

### 1. Details of the Issuance and Offering

#### 1.1 Type of offering shares, number of offering shares, allocation and offering price

The issuance and offering of up to 72,518,676 newly issued ordinary shares, with a par value of THB 0.25 per share to BOB Holding Company Limited (“**BOB**”) by way of the issuance and offering of newly issued ordinary shares to specific person (Private Placement), or equivalent to 13.46 of total issued and paid-up shares of the Company (after the registration of paid-up shares) as the non-cash consideration for the acquisition of the entire business of BOB (Entire Business Transfer), i.e. the ordinary shares in shareholding ratio of 25 percent of total shares of Cheese Digital Network Company Limited (“**CDN**”) to BOB as a payment-in-kind, by which the total value of consideration for the business transfer is equivalent to THB 250,189,432.20. Details of which are as set forth in the Information Memorandum on the Assets Acquisition of NCL International Logistics Public Company Limited (Enclosure 1).

In this regard, the offering price per share will be equal to 90 percent of the volume weighted average price of the Company’s ordinary shares during 7 consecutive business days prior to the date on which the board of directors’ meeting of the Company approve the determination of offering price (which will occur after the shareholders’ meeting approve the entry into this transaction) (the “**Offering Price**”). In the event that the Offering Price is higher than THB 3.45 per share, the number of shares to be issued by the Company for the payment of consideration for BOB’s shares shall be decreased, calculated based on the transaction size of THB 250,189,432.20 divides such Offering Price. However, the Offering Price shall not less than THB 3.45 per share.

After the entire business transfer of BOB to the Company, BOB will cease the operation and proceed the dissolution [and the liquidation within the same accounting period of the year of entire business transfer]. With regard to the liquidation of BOB, the liquidator will distribute the Company’s ordinary shares held by BOB to the shareholders of BOB, i.e. (1) Miss Monthira Charoenval, (2) Miss Yolsiri Sayamvala, and (3) Mr. Phuripat Pitakanant (collectively referred to as the “**BOB Shareholders**”).

BOB and BOB Shareholders are not a related person of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions (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 B.E. 2546 (2003) (as amended) (the “**Connected Transaction Notifications**”). In this regard, BOB and/or BOB Shareholders agreed not to nominate any person to be director and/or executive of the Company.

The offering of newly issued ordinary shares to BOB this time constitutes the offering of newly issued ordinary shares of the Company to specific person (Private Placement) where the shareholders’ meeting approved the delegation of power to the board of directors to determine the offering price pursuant to the market price, under the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Approval for Listed Companies to Offer Newly Issued Shares by way of Private Placement (as amended) (the “**PP Notification**”), of which in addition to the approval by shareholders’ meeting with a vote of not less than three-fourths of the votes of the shareholders attending the meeting and having the right to vote, excluding the votes casted by shareholders having an interest in the matter from the calculation base, the Company is required to obtain an approval from the Office of the Securities and Exchange Commission (the “**SEC Office**”) in accordance with the PP Notification prior to such offering.

However, in case the offering price of newly issued ordinary shares to the Subscriber is a price below 90 percent of the volume weighted average price of the Company's ordinary shares traded in the Stock Exchange of Thailand ("SET") during 7 consecutive business days but no longer than 15 consecutive business days prior to the offering date, the Company shall be obliged to restrict BOB and/or BOB Shareholders to sell any of the newly issued shares within the period of 1 year from the commencement date on which those shares are traded on the SET. However, such person may gradually sell up to 25 percent of all locked-up shares after the lapse of 6 months from the date on which such shares start trading on SET, subject to the requirements set forth in the Notification of the Stock Exchange of Thailand Re: Rules, Conditions and Procedures for Consideration of the Application for Listing of Newly Issued Ordinary Shares or Preferred Shares as Listed Securities B.E. 2558 (2015) (as amended).

## 1.2 Name and Details of Investor who is being offered the Newly Issue Ordinary Shares

### Investor: BOB Holding Company Limited (BOB)

Details regarding information of BOB, including but not limited to registered capital, paid-up capital, type of business, list of directors, and list of shareholders are as set forth in no. 2 of the Information Memorandum on the Acquisition of Assets (List (2)) of NCL International Logistics Public Company Limited (Enclosure 1).

#### Relationship between BOB and the Company

BOB and the Company has no relationship which shall constitute the issuance and offering of newly issued ordinary shares to be a connected transaction pursuant to the Connected Transaction Notifications.

#### BOB Shareholders

##### A) Miss Monthira Charoenval

<b>Nationality</b>	:	Thai
<b>Address</b>	:	54/66 Moo 13 Nawamin Road, Khlong Kum Su-District, Khlong Kum District, Bangkok, 10240
<b>Professional Experiences</b>	:	Founder and the General Manager of Lobster Gangsters Company Limited which operates seafood business
<b>Relationship with the Company</b>	:	None

##### B) Miss Yolsiri Sayamvala

<b>Nationality</b>	:	Thai
<b>Address</b>	:	59/268 Ramintra Road, Kanna Yao Sub-District, Kanna Yao District, Bangkok, 10230
<b>Professional Experiences</b>	:	Former International Marketing Manager, Bangkok Dusit Medical Services Public Company Limited.
<b>Relationship with the Company</b>	:	None

## C) Mr. Phuripat Pitakanant

**Nationality** : Thai

**Address** : 53/268 Ramintra Road, Kanna Yao Sub-District, Kanna Yao District, Bangkok, 10230

**Professional Experiences** : Director, Cheese Digital Network Company Limited

**Relationship with the Company** : None

### 1.3 Top 10 Majority Shareholders of the Company before and after the Offering of Newly Issued Ordinary Shares to BOB

No.	List of Shareholders before the Issuance and Offering of Newly Issued Ordinary Shares to BOB (as of 12 November 2021)		List of Shareholders after the Issuance and Offering of Newly Issued Ordinary Shares to BOB <sup>1</sup>	
	Name	Shareholding Percentage	Name	Shareholding Percentage
1	Mr. Kitti Phuathavornskul	15.63	Mr. Kitti Phuathavornskul	13.53
2	Mrs. Laor Tangkaravakoon	4.72	Miss Monthira Charoenval	5.54
3	Miss Fasai Phuathavornskul	3.60	Miss Yolsiri Sayamvala	5.28
4	Mr. Sanchawan Ingkapak	2.89	Mrs. Laor Tangkaravakoon	4.08
5	Mrs. Siriluk Dejdumrong	2.87	Miss Fasai Phuathavornskul	3.11
6	Thai NVDR Company Limited	2.42	Mr. Phuripat Pitakanant	2.64
7	Mrs. Pattira Homwilai	2.20	Mr. Sanchawan Ingkapak	2.50
8	Miss Kawisara Pattanajarean	2.06	Mrs. Siriluk Dejdumrong	2.48
9	Miss Navaporn Rattanachaikanont	1.90	Thai NVDR Company Limited	2.09
10	Mr. Wisit Prasithsirikul	1.41	Mrs. Pattira Homwilai	1.90

### 1.4 Determination of Offering Price, Market Price and Appropriateness of Value of Newly Issued Shares

The offering price of newly issued ordinary shares to be issued and offered to BOB is the price mutually agreed between the Company and BOB which will be equivalent to 90 percent of the volume weighted average price of the Company's ordinary shares during 7 consecutive business days prior to the date on which the board of directors' meeting of the Company approve the determination of offering price (which will occur after the shareholders' meeting approve the entry into this transaction). In this regard, in the event that the Offering Price is higher than THB 3.45 per share, the number of shares to be issued

<sup>1</sup> Calculation on the basis that the Company offered 72,518,676 newly issued ordinary shares to BOB and BOB ceases to operate the business and proceeds for the dissolution and the liquidator has distributed the ordinary shares of the Company to BOB Shareholders.

by the Company for the payment of consideration for BOB's shares shall be decreased, calculated based on the transaction size of THB 250,189,432.20 divided by such Offering Price. However, the Offering Price shall not be less than THB 3.45 per share.

## **2. Purpose of Issuance of Newly Issued Ordinary Shares and Plan for Use of Proceeds**

### **2.1 Purpose of Issuance of Newly Issued Ordinary Shares and Plan for Use of Proceeds**

The Company will issue and allocate of up to 72,518,676 newly issued ordinary shares, with a par value of THB 0.25 per share, to be a compensation for the acquisition of the entire business transfer of BOB as a payment-in-kind.

### **2.2 Details of the Projects for which the Company and/or Subsidiaries will utilize the Proceeds received from the Capital Increase**

Details of the entire business transfer are as set forth in the Information Memorandum on the Acquisition of Assets (List (2)) of NCL International Logistics Public Company Limited (Enclosure 2)

### **2.3 Capability for Revenue Generating to the Company**

The entire business transfer of BOB will enhance the Company's opportunity for the long-term revenue generating, including the positive return of investments, taking into account the consideration of the estimated yield, the capability for the development, and risks in various aspects.

In this regard, additional details are as set forth in the Information Memorandum on the Assets Acquisition of NCL International Logistics Public Company Limited (Enclosure 2)

### **2.4 Potential Impact in case the Project is not implemented**

In case the Company fails to issue and offer the newly issued ordinary shares to BOB, the Company will be not able to find the sufficient funds for the acquisition of entire business of BOB.

### **2.5 Risk from the Project Implementation**

The Company might have the risk in relation to the returns from the business operation of CDN do not meet the minimum goal due to the change in technology and customer consumption in digital marketing network which is rapidly change. However, the services by CDN are not rely on certain channel e.g. mobile phone, which will result in CDN to have low impact in case there is an occurrence of similar event. In addition, in the event of additional factors which affects the business operation of CDN, e.g. the changes of regulations and new pandemic, such factors shall also affect the operating results in CDN.

### **2.6 Initial Estimated Budget**

The Company expects to spend a budget in an approximately of 250,189,432.20 to acquire the entire business of BOB.

## **3. Potential Impact from the Capital Increase or Allocation of Newly Issued Shares by way of Private Placement**

The said issuance and offering of the newly issued shares will have potential impact to the shareholders as follows:

**3.1 Control Dilution**

$$\begin{aligned}
&= \frac{(\text{Number of offering shares this time})}{(\text{Number of paid-up ordinary shares} + \text{number of offering shares this time})} \\
&= \frac{72.52 \text{ million shares}}{538.67 \text{ million shares}} \\
&= 13.46 \text{ percent}
\end{aligned}$$

**3.2 Price Dilution**

$$\begin{aligned}
&= \frac{\text{market price before offering} - \text{market price after offering}}{\text{market price before offering}} \\
&= \frac{3.65 - 3.62}{3.65} \\
&= 0.74 \text{ percent}
\end{aligned}$$

whereby the market price after offering

$$\begin{aligned}
&= \frac{(\text{market price} \times \text{number of paid-up ordinary shares}) + (\text{the offering price for Private Placement} \times \text{number of newly issued ordinary shares for Private Placement})}{(\text{Number of paid-up ordinary shares} + \text{number of newly issued ordinary shares for Private Placement})} \\
&= \frac{\text{THB } 1,701.46 \text{ million} + \text{THB } 250.19 \text{ million}}{\text{THB } 538.67 \text{ million}} \\
&= \text{THB } 3.62 \text{ per share}
\end{aligned}$$

**3.3 Earning Dilution**

$$\begin{aligned}
&= \frac{\text{Earnings per share before the offering} - \text{Earnings per share after the offering}}{\text{Earnings per share before the offering}} \\
&= \frac{0.16 - 0.14}{0.16} \times 100 \\
&= 13.46 \text{ percent}
\end{aligned}$$

**3.4 Shareholders' Benefits Relative to Impact on the Shareholders' Profit Sharing or Voting Rights**

Upon comparison between the shareholders' benefits to be derived from the entire business transfer of BOB, i.e. the ordinary shares of CDN in an amount of 25 percent of the total shares of CDN, and the impact on earning per share dilution or price dilution of the shareholders as described above, the Company views that the offering of newly issued ordinary shares will be more beneficial to the shareholders than the impact on the price dilutions or control dilutions of the shareholders. This is because the payment of consideration for the BOB entire business transfer transaction by way of payment-in-kind will decrease the Company's duty in seeking for funding for the execution of such transaction. In addition, in the event that the developments of projects are succeeded in accordance with the plans, the Company will be able to gain more returns from CDN in the future and will

strengthen the business operation of the Company, as well as the sustainability in the business operations and the financial conditions will become more stable.

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

##### **4.1. Reasons and Justifications on the Capital Increase**

The Board of Director opined that it is necessary for the Company to issue and offer the newly issued ordinary shares to specific person as a payment-in-kind for the entire business transfer of BOB as the issuance of newly issued ordinary shares to BOB will reduce the Company's liability for the seeking of funding and the Company will be not required to use cash for the payment of consideration for the entire business transfer, including the seeking of fund by way of loan from financial institution, which will affect the debt to equity ratio of shareholders of the Company, resulting in the stabilization in financial structure of the Company.

##### **4.2. Feasibility of the Plan for Use of Proceeds**

The Company will issue the newly issued shares as a payment-in-kind for the consideration of the entire business transfer of BOB after the Company and BOB has completed the conditions as detailed in item no. 11 of the Information Memorandum on the Acquisition of Assets (List (2)) of NCL International Logistics Public Company Limited (Enclosure 2). The Company expected that the entire business transfer transaction will be completed within the 2<sup>nd</sup> quarter of year 2022.

##### **4.3. Reasonableness for the Capital Increase, Use of Proceeds from Capital Increase Plan, Reasonableness of the Capital Increase, and Details of Project, including the Sufficiency of Funds in case the Proceeds from the allocation of newly issued ordinary shares is not sufficient for the implementation of Project**

The Board of Director opined that the capital increase is appropriate as the issuance of newly issued ordinary shares as a payment-in-kind for the consideration of the entire business transfer of BOB which will reduce the Company's liability for the seeking of funding and the Company will be not required to use cash for the payment of consideration for the entire business transfer of BOB, which will result in the Company to have sufficient funds for the management of the liquidity and enable the Company to reserve the cash flow of the Company as a working capital for the business operation of the Company, including reducing the liability in seeking of fund by way of loan or fundraising from the existing shareholders for the payment of such shares.

##### **4.4. Impact on the Company's Financial Status from the Capital Increase and the Implementation of the Plan for Use of Proceeds**

The entire business transfer of BOB will result in the Company becomes a shareholder of CDN, who engages in digital marketing services business, a business other than the logistics business which is the main business of the Company, and might result in the Company to diversify the long-term risk in business operations and increase sources of revenue. The Company foresees that CDN is a business having potential growth in the future and generate greater returns to shareholders of the Company.

In addition, the Company will be entitled to receive dividend payment from CDN in accordance with its shareholding ratio of the Company in CDN as at the date of dividend payment, according to the dividend policy of CDN at the rate of not less than 50 percent of the total annual net profits of CDN, subject to the terms and conditions of shareholders' agreement.

##### **4.5. Appropriateness of the Offering Price to BOB**

The Board of Director opined that the offering price of newly issued ordinary shares is appropriate as the basis for determination of such offering price is the determination of offering price based on market

price according to the PP Notification. In addition, the total value of consideration of THB 250,189,432.20 is appropriate, by which details regarding the basis for determination of total value of consideration are set forth in the Information Memorandum on the Acquisition of Assets (List (2)) of NCL International Logistics Public Company Limited (Enclosure 2).

#### **4.6. Basis for Determination of Offering Price**

The offering price to be issued and offered to BOB is the price mutually agreed between the Company and BOB, which will be equivalent to 90 percent of the volume weighted average price of the Company's ordinary shares during 7 consecutive business days prior to the date on which the board of directors' meeting of the Company approve the determination of offering price (which will occur after the shareholders' meeting approve the entry into this transaction). In this regard, in the event that the Offering Price is higher than THB 3.45 per share.

In this regard, the Board of Director opined that such offering price is appropriate since it is in accordance with the market price as at the offering date and relevant regulations.

#### **4.7. Rationale and necessity for the offering of newly issued shares to the allocated Investor This Time**

The Company is in necessary to issue and offer the newly issued ordinary shares to BOB as a payment-in-kind for the consideration of the entire business transfer of BOB. In this regard, the Board of Directors opined that the issuance and offering of newly issued ordinary shares to BOB by way of issuance and offering of newly issued ordinary shares to specific person as a payment-in-kind will reduce the Company's liability to seek for the sources of fund, including not to seek of fund by way of loan from financial institution for the payment of such consideration.

In addition, the BOB Shareholders are persons who has expertise, having knowledge and abilities to manage the digital marketing services business, which will support the capability of the Company in investing in such business.

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

The Board of Directors certifies that the board of directors has performed its duty with honesty and fiduciary to preserve the Company's benefits in relation to the capital increase and it has carefully reviewed BOB's information and viewed that the said person would be able to bring benefits to and have a potential to invest in the Company. However, in the case that such performance of duty causes damage to the Company, the shareholders are entitled to file a lawsuit to claim for damages from such director on behalf of the Company as specified in Section 85 of the Public Limited Companies Act. In addition, in the case that such performance of duty causes a director or his/her related person to obtain any undue benefit, the shareholders shall be entitled to file a lawsuit to claim for restitution of such benefit from such director on behalf of the Company pursuant to Section 89/18 of the Securities and Exchanges Act B.E. 2535 (as amended).

#### **6. Opinion of the Audit Committee and/or the Director Which is Different from the Board of Directors' Opinion**

- None -