

Information Memorandum regarding the allotment of new shares

Simat Technologies Public Company Limited

The resolution of the Board of Directors' meeting of the Simat Technologies Public Company Limited (the "**Company**") No. 3/2021, which was held on March 10, 2021 resolved to increase the registered capital of the Company from the original registered capital of THB 630,016,947 to the new registered capital in the amount of THB 871,499,635 by issuing new ordinary shares in the amount of 241,432,688 shares, with a par value of THB 1.00, totaling THB 241,432,688 to reserve for (1) the allocation of newly ordinary shares to existing shareholders proportionate to their respective shareholding (Rights Offering) (2) the exercise of the warrants to purchase ordinary shares of the Company No. 5 (the "**SIMAT-W5 Warrants**") to allocate to the existing shareholders of the Company proportionate to their respective shareholding (3) the adjustment of the warrants to purchase ordinary shares of the Company No. 3 (the "**SIMAT-W3 Warrants**") and (4) the adjustment of the warrants to purchase ordinary shares of the company No.4 (the "**SIMAT-W4 Warrants**"). The Company will propose to the 2021 Annual General Meeting of Shareholders on April 29, 2021 for further approval.

In this regard, the issuance and offering of the newly issued ordinary shares is significant, therefore the company has prepared significant information for the shareholders' decision in accordance with the announcement of the Capital Market Supervisory Board No. Tor Jor. 73/2558 regarding the items in the notice of the shareholders' meeting of listed companies for approval and offering securities (Including additional amendments) with the following details:

1. Details of the newly issued shares

The Company will allocate the newly issued ordinary shares of the Company to the existing shareholders of the Company proportionate to their respective shareholding (Rights Offering) and the allocation of newly issued ordinary shares to reserve for the exercise of rights under the SIMAT-W5 Warrants, the allocation of newly issued ordinary shares to reserve for the adjustment of rights under SIMAT-W3 Warrants, and the allocation of newly issued ordinary shares to reserve for the adjustment of rights under the SIMAT-W4 Warrants with the following details;

- 1.1. Allocation of newly issued ordinary shares of not exceeding 75,373,827 shares at par value of THB 1.00 per share for sale to the existing shareholders of the Company proportionate to their respective shareholding (Rights Offering) at the ratio of 7 existing shares per 1 newly issued ordinary shares with an offering price of THB 3 per share, the a fraction of shares to be disregarded.

In determining the offering price of the newly issued ordinary shares to the existing shareholders proportionate to their respective shareholding (Rights Offering) above, the Company has determined the market price of the Company's shares by fixing a discount of approximately 40.45 percent of the weighted average price of the Company's shares In the Stock Exchange of Thailand (the "**SET**") for previous 7 consecutive business days before the date of the Board of Directors resolved to propose an agenda for the increase of registered capital to the shareholders' meeting for consideration on March 10, 2021 (that is, between March 1, 2021 –March 9, 2021) which is equal to THB 5.04 (Data from SETSMART of SET). The shareholders may subscribe for newly issued ordinary shares in excess of their rights as specified above (oversubscription), in which existing shareholders who subscribe for more than their rights will receive allotment of shares in excess of their rights.

In the allocation of newly issued ordinary shares to the existing shareholders of the Company. In the event that, there are shares remaining from the allocation to the existing shareholders of the Company according to the proportion of shareholding in the first round. The Company will allocate the remaining newly issued ordinary shares to the existing shareholders wishing to subscribe for more than their rights in proportion to their existing shareholding at the same price as the shares allotted according to their rights. This includes existing shareholders, who wish to subscribe for more than their rights in proportion to their shareholding as connected persons of the Company. The details are as follows;

- (A) In case there are shares remaining from the allocation to the existing shareholders of the company, which is according to the rights offering (Rights Offering) in the first round, more than or equal to the shares that the existing shareholders subscribe for in excess of the right according to the proportion of shareholding, the Company will allocate the remaining shares to those who subscribe for more than the rights and pay all subscription fees for all said shares according to the number of intention to subscribe for more than rights;
- (B) In the case that there are shares remaining from the allocation to the existing shareholders of the Company (Rights Offering) in the first round is less than the shares that the existing shareholders subscribe for more than the right according to the proportion of shareholding. The company will allocate the remaining shares to those who subscribe for more than the rights according to the steps. The following episode;
 - (1) Allocated according to the proportion of existing shareholders of each subscriber to more than each individual right by multiplying the existing shareholding proportion of the subscriber exceeding each right by the number of remaining shares, it will be the number of shares that each subscriber exceeds the rights to be allocated. In the event that there are fractions of shares, rounding those shares shall be discarded. However, the number of shares to be allocated shall not exceed the number of shares subscribed and paid for by each shareholder.
 - (2) In the event that the shares still remaining after the allocation under Clause (B)(1), the allocation shall be made to each subscriber that exceeds the rights and has not been fully allocated in proportion to the original shareholding of those who subscribe for more than each right by multiplying the existing shareholding of each subscriber that exceeds each of the rights by the number of remaining shares to be the number of shares that the subscriber exceeds each of the rights to be allocated. In the event that there are fractions of shares, rounding off those shares the number of shares to be allocated will not exceed the number of shares that each shareholder has already subscribed and paid for the subscription price. In this regard, the allocation of shares to the subscriber exceeds the rights under the procedures in this Article. Its doing until no shares left from allocation.

In this regard, the allocation of shares to the existing shareholders of the Company subscription beyond rights in any case, it must not make any shareholders (including persons under Section 258 of the Securities and Exchange Act 1992 (including

amendments) of the aforementioned shareholders) holding the Company's shares in the following manner;

- (A) In the manner that increases to or across the trigger point for a tender offer as specified in the Notification of the Capital Market Supervisory Board No. Tor Jor. 12/2554 regarding Rules, Conditions and Procedures for the Acquisition Securities for business takeovers (Including any amendments) ("**Notification No. Tor Jor. 12/2554**") (except that such shareholder has been exempted from making a tender offer for all securities of the business as specified in the announcement Tor Jor. 12/2554); or
- (B) In the manner which violates the foreign share restrictions specified in the company's regulations.

In addition, if there are still shares remaining from the allocation to the existing shareholders of the Company, its according to the proportion of shareholding (Rights Offering) and the allocation to shareholders, who subscribe for more than rights (Oversubscription) to proceed with the reduction of the company's registered capital by cutting the remaining ordinary shares from the offering for sale.

In the allocation of the newly issued ordinary shares of the Company to the existing shareholders of the Company in proportion to their shareholding (Rights Offering), the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer have the power to take the following actions as relevant or as reasonably necessary to provide the issuance and allocation of the newly issued ordinary shares of the Company to the existing shareholders of the Company in proportion to their shareholding (Rights Offering) accomplished by the authority including but not limited to;

- (A) To consider the details of the allocation of the newly issued ordinary shares for sale to the existing shareholders of the company in proportion to their shareholding in order to be in accordance with the laws and regulations relating to the issuance and offer to sell securities under Thai law. However, the company may reserve the right to not offer new shares to existing shareholders of any company, if doing so will make the company violating foreign laws or regulations;
- (B) To determine or change method for allocation of newly ordinary shares issued, for example, all at one time, or a part, the period of offering price, purpose of offering, offering ratio, bid price and payment method or details regarding the allotment and offering, such as changing the date for determining the rights, list of shareholders, who are entitled to receive the newly issued shares;
- (C) To sign the request form, requesting waiver of the notice as well as any documents related to the allocation of newly issued ordinary shares. It includes contacting and submitting documents to staff or representatives of any relevant departments. As well as the introduction of new ordinary shares of the company listed on the Market for Alternative Investment and take any actions necessary and relevant to the allotment of new shares for sale to the existing shareholders of the company in proportion to shareholding under the terms of the relevant law;

- (D) To register of changes in paid-up capital with the Department of Business Development Ministry of Commerce and has the power to take all necessary actions in accordance with the registrar's order to complete the registration process.
- 1.2. Allocation of the newly ordinary shares of not exceeding 150,747,654 at par value of THB 1.00 per share in order to accommodate the exercise of SIMAT-W5 Warrants to be issued and offered to the existing shareholders proportionate to their shareholding at the allocation ratio of 4 ordinary shares to 1 unit of the SIMAT-W5 Warrants free from charge after the Company has registered the increase of its paid up capital for the issuance and offering of the newly issued ordinary shares to the existing shareholders proposed to the shareholders' meeting for approval in Clause 1.1 above. Nevertheless, the determination of the allocation and offering of SIMAT-W5 Warrants is uncertain until the approval of shareholders' meeting has received. The conditions and details of the SIMAT-W5 Warrants appear in Attachment 1.

In this regard, in order to provide the terms and conditions of the SIMAT-W5 Warrants to be appropriate according to the capital market and money market conditions and for the benefits of the Company and shareholders. The Board of Directors meeting, therefore, proposes to the shareholders' meeting to consider authorizing of the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer to have power to take all necessary actions in connection with the issuance and allocation of the SIMAT-W5 Warrants in compliance with the law, including but not limited to the power to the following actions:

- (1) set out and amend any rules, terms, conditions and other details relating to the issuance and allocation of the SIMAT-W5 Warrants, including the date to determine the list of shareholders entitled to be allocated with the SIMAT-W5 Warrants;
 - (2) negotiate, agree, enter into, amend, add, sign agreements, applications for permission, waiver, evidence, disclosure, report on the offering for sale, and various documents necessary for and in connection with the issuance and allocation of the SIMAT-W5 Warrants, as well as contact, filing, amendment, addition and signing of the applications for permission, waiver, evidence, disclosure, report on the offering for sale, and various documents with the Securities and Exchange Commission Office (the "**SEC Office**"), the SET, governmental agencies or relevant authorities in relation to the issuance and allocation of the SIMAT-W5 Warrants and the newly issued ordinary shares from the exercise of the Warrants as listed on the Market for Alternative Investment; and
 - (3) take any other arrangements as necessary and appropriate in connection with the issuance and allocation of the SIMAT-W5 Warrants in order to ensure the successful completion of the foregoing arrangements and the issuance and allocation of the SIMAT-W5 Warrants on this occasion.
- 1.3. Allocation of the newly ordinary shares of not exceeding 5,840,568 shares to accommodate the right adjustment under the SIMAT-W3 Warrants.
- 1.4. Allocation of the newly ordinary shares of not exceeding 9,470,639 shares to accommodate the right adjustment under the SIMAT-W4 Warrants.

2. Objective of the capital increase and fund utilization plan

In the case that all the new ordinary shares that the Company issued and offered to the existing shareholders proportionate to their respective shareholding (Rights Offering) are fully subscribed, the Company will be able to raise funds in the amount of approximately THB 226.12 Million. The Company plans to use the proceeds received from this capital increase for repay the products debt and outstanding loan in the amount of THB 156.12 Million within September 30, 2021 and the remaining capital shall utilize as a working capital for the governmental project of the Company in amount of THB 70 Million.

In addition, regarding the issue of newly ordinary shares to reserve for the exercise of SIMAT-W5 Warrants, in the case that the warrants holders are fully exercised their rights to purchase the newly issued ordinary shares under the SIMAT-W5 Warrants, the Company will be able to raise funds in the amount of approximately THB 301.50 Million. The Company plans to use the proceeds received from the exercise of rights to use as a working capital or supporting future business expansion.

The above capital increase plan is in accordance with the current business plan for the allocation of proceeds from this capital increase offering. However, the number of shares subscribed and the exercise of rights to purchase new ordinary shares according to the SIMAT-W5 Warrants and the actual payment may be less than the number of shares the company has wishing to sell, this will lead to the company received less money than expected. In that case, the Company's capital increase plan may differ from the money plan specified above.

3. The effect on shareholders from the sale of newly issued shares.

The effect from the issuance and offering of new ordinary shares proportionate to their respective shareholding (Rights Offering) and the issuance of new ordinary shares to accommodate the exercise of the SIMAT-W5 Warrant as follows;

3.1 Price Dilution (Control Dilution)

3.1.1 the issuance and offering of new ordinary shares proportionate to their respective shareholding (Rights Offering)

After the issuance and offering of the newly issued ordinary shares, which are offered to the existing shareholders of the company proportionate to their respective shareholding (Rights Offering). In the case that all the existing shareholders exercise their rights to subscribe for the newly issued shares according to their rights have the whole amount, it will not affect the voting rights of shareholders of the Company (Control Dilution). However, in the event that all the existing shareholders do not exercise the right to buy the increased capital at all, the Company will proceed to reduce the registered capital of the company by eliminating the remaining ordinary shares from the offering for sale, resulting in the number of paid-up shares unchanged, and does not affect the voting rights of the shareholders of the company (Control Dilution). But in the event that the shareholders choose not to exercise their right to subscribe for the newly issued ordinary shares according to their rights and other shareholders exercise their rights to subscribe for the newly issued ordinary shares in accordance with their existing rights and / or subscribe to the newly issued ordinary shares (Oversubscription) until the subscription of the newly issued shares in full amount, it will affect the voting rights of the shareholders (Control Dilution) as follows

$$\begin{aligned}
&= \frac{\text{Number of shares offered}}{\text{Number of paid-up shares} + \text{Number of shares offered}} \\
&= \frac{75,373,827}{527,616,789 + 75,373,827} \\
&= 12.50 \%
\end{aligned}$$

3.1.2 the issuance of new ordinary shares to accommodate the exercise of the SIMAT-W5 Warrants

If the shareholders who receive the SIMAT-W5 Warrants have exercised their rights to convert into ordinary shares in the amount that they received will not affect the voting rights of shareholders of the company (Control Dilution). However, in the case that the shareholders who receive the SIMAT-W5 Warrants do not exercise the conversion rights and all other shareholders exercised their rights to convert (Control Dilution) is as follows: (The calculation of the impact below is under the assumption that the offering of newly issued ordinary shares to be offered to the existing shareholders of the company (Rights Offering), which will occur before the allocation of the SIMAT-W5 Warrants, the purchaser of the shares has exercised in the full amount of the newly issued shares.

$$\begin{aligned}
&= \frac{\text{Number of shares from the conversion of SIMAT-W5 Warrants}}{\text{Number of paid-up after the offering RO} + \text{Number of shares from the conversion of SIMAT-W5 Warrants}} \\
&\text{Number of paid-up after the RO offering} = \text{Current paid-up} + \text{No. of shares offered for sale RO} \\
&= 527,616,789 + 75,373,827 = 602,990,616 \text{ shares} \\
&= \frac{150,747,645}{602,990,616 + 150,747,645} \\
&= 20.00 \%
\end{aligned}$$

3.2 Effect on the proportion of shareholding (Price Dilution)

3.2.1 the issuance and offering of new ordinary shares proportionate to their respective shareholding (Rights Offering)

After the issuance and offering of the newly issued ordinary shares offered to the existing shareholders of the company, which are according to the proportion of shareholding (Rights Offering). The impact on the share price of the company will depends on the amount of the right to purchase shares from each existing shareholder. If all the existing shareholders do not exercise their rights to buy the additional shares at all, they will not affect the share price of the company. But in the event that the shareholders choose not to exercise their right to subscribe for the newly issued ordinary shares according to their rights and other shareholders exercise their rights to subscribe for the newly issued ordinary shares in accordance with their existing rights and / or subscribe to

the newly issued ordinary shares in excess of their rights (Oversubscription) until the subscription of the newly issued shares in full amount, it will have an impact on the price by calculating the effects as follows

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

Market price before offering

$$= \frac{5.04 - 4.78}{5.04}$$

$$= 5.06 \%$$

Which the market price after the offering of new ordinary shares in proportion to their shareholding is equal to

$$= \frac{(\text{Market price} \times \text{No. of paid-up shares}) + (\text{Offering price of RO shares} \times \text{No. of shares offered for sale in RO})}{\text{Number of paid-up shares} + \text{Number of shares offered for sale RO}}$$

$$= \frac{(5.04 \times 527,616,789) + (3 \times 75,373,827)}{527,616,789 + 75,373,827}$$

$$= 4.78$$

Note: Market price is equal to the weighted average market price of the company for the past 7 consecutive business days prior to the date of the Board of Directors Meeting No. 3/2021 on March 10, 2021 (that is, between March 1, 2021 – March 9, 2021) (Data from SETSMART of SET) which is equal to THB 5.04

3.2.2 the issuance of new ordinary shares to support the exercise of the SIMAT-W5 Warrants

If the shareholders who receive the SIMAT-W5 Warrants have exercised their conversion rights into ordinary shares in the amount that they received, it will not affect the market price of the shares (Price Dilution). However, in the case that the shareholders who receive warrants SIMAT-W5 Warrants do not exercise the conversion rights and all other shareholders exercised their rights to convert it will have the highest impact on the market price of shares as follows; (The calculation of the impact below is under the assumption that the offering of newly issued ordinary shares to be offered to the existing shareholders of the company (Rights Offering), which will occur before the allocation of the SIMAT-W5 Warrants, the shareholders have the right to buy the shares to purchase the increased shares in full amount)

$$= \frac{(\text{Stock market price after RO share offering} - \text{Stock market price after RO stock market and SIMAT-W5 Warrants conversion})}{\text{Stock market price after RO stock market}}$$

$$= \frac{4.78 - 4.23}{4.78}$$

$$= 11.64 \%$$

In which the stock market price after the offering of RO shares and the conversion of SIMAT-W5 Warrants is equal to

$$= \frac{(\text{Market price} \times \text{number of paid-up shares before offering shares RO}) + (\text{Offering price of RO shares} \times \text{Number of shares offered for sale RO} + \text{Money received from the conversion of SIMAT-W5 Warrants})}{(\text{Number of shares paid before offering RO} + \text{Number of shares offered for sale RO} + \text{Number of shares Arising from the conversion of SIMAT-W5 Warrants})}$$

$$= \frac{(5.04 \times 527,616,789) + (3 \times 75,373,827) + (2 \times 150,747,645)}{527,616,789 + 75,373,827 + 150,747,645}$$

$$= 4.23$$

Note: Market price is equal to the weighted average market price of the company for the past 7 consecutive business days prior to the date of the Board of Directors Meeting No.3/2021 on March 10, 2021 (that is, between March 1, 2021 –March 9, 2021) (Data from SETSMART of SET) which is equal to THB 5.04

4. The opinion of the Board of Directors Capital increase or offering to the existing shareholders of the company Proportion of shares (Rights Offering)

4.1 Reasons and necessity of the capital increase.

The Board of Directors have an opinion that the Company is necessary to increase the registered capital and issue new ordinary shares for sale to the existing shareholders proportionate to their respective shareholding (Rights Offering) and the newly issued ordinary shares to accommodate the exercise of rights the SIMAT-W5 Warrants, to accommodate the adjustment under SIMAT-W3 Warrants, to accommodate the adjustment under the SIMAT-ESOP-2 and to accommodate the adjustment under the SIMAT-W4 Warrants because the Company plans to use the proceeds received from the shares offering for the purpose as details described in item 2 above.

4.2 The possibility of using funds from the offering of shares

The Company expects to issue and offer shares to existing shareholders proportionate to their respective shareholding (Rights Offering) as well as receive money from the offering of the new shares to be completed within May 2021. The Company will use the money received from the capital increase as described in item 2 above.

The issuance of the newly issued ordinary shares to accommodate the exercise of the SIMAT-W5 Warrants has a term of 3 years from the date of issuance of the SIMAT-W5 Warrants. The Company will use the money received from the capital increase for the purpose as described in item 2 above.

4.3 The reasonableness of the capital increase plan to use the proceeds from the share offering and the project that will be implemented including the adequacy of the funding source in the event that the proceeds from the offering.

The Board of Directors have an opinion that the issuance and offering of the newly issued ordinary shares to the shareholders proportionate to their respective shareholding (Rights Offering) and the newly issued ordinary shares to accommodate the exercise of the rights of the SIMAT-W5 Warrants, the newly issued ordinary shares to accommodate the adjustment under the SIMAT-W3 Warrants, and the newly issued ordinary shares to accommodate the adjustment under SIMAT-W4 Warrants are

appropriate. It is reasonable and for the highest benefit of the Company and all shareholders. The Company plan to utilize the money from funding this time for the purpose as details described in item 2 above.

In the case that all the new ordinary shares that the Company issued and offered to the existing shareholders proportionate to their shareholding (Rights Offering) are fully subscribed. The Company will be able to raise funds in the amount of THB 226.12 Million. The Company plans to use the proceeds received from this capital increase as detailed in item 2 above within the year 2021.

In addition, regarding the issue of newly ordinary shares to reserve for the exercise of the SIMAT-W5 Warrants, in the case that the warrants holders are fully exercised their rights to purchase the newly issued ordinary shares under the SIMAT-W5 Warrants, the Company will be able to raise funds in the amount of approximately THB 301.50 Million. The Company plans to use the proceeds received from the exercise of rights to use as working capital or supporting future business expansion.

4.4 The expected impact on the company's business operations as well as the financial status and results of operations of the company Due to the capital increase and the implementation of the use of funds or projects.

The Board of Directors have an opinion that the issuance and offering of the newly issued ordinary shares to the shareholders proportionate to their respective shareholding (Rights Offering) and the newly issued ordinary shares in order to accommodate the exercise of the rights under the SIMAT-W5 Warrants, the newly issued ordinary shares to accommodate the adjustment under the SIMAT-W3 Warrants , and SIMAT-W4 Warrants are the implementation of the Company's funding sources which the Company can use the money received from the capital increase for the purpose as details described in item 2 above. The transaction will benefit the Company in creating continuous cash flow and profits in the future and does not adversely affect the Company's business operations as well as the financial status and results of operations of the Company.

5. Board certification Capital increase

In the case that the directors of the Company not performing duties in accordance with the law, the objectives and the regulations of the Company as well as the resolution of the shareholders' meeting with honesty and carefulness to protect the interests of the Company. In matters relating to the capital increase by acting or omitting any actions that do not perform the duties and cause damage to the Company. The company can claim compensation from that director, but if the Company do not claim for compensation shareholders holding a total of not less than 5 percent of the total issued shares will notify the company to be claimable. The Company do not proceed as the shareholders have informed, the shareholder can sue for damages from the director on behalf of the Company in accordance with Section 85 of the Public Company Limited Act 1992 (including amendments). In addition, if the actions or omissions of the directors which do not perform their duties, shall be in accordance with the laws, objectives and regulations of the company. As well as the resolution of the shareholders' meeting with honesty and carefulness to protect the interests of the company in matters relating to the capital increase, it causes the directors, executives, or related persons to benefit improperly. The Company may sue the directors to be responsible for returning the benefits to the Company. The shareholders holding shares with voting rights of not less than 5% of the total voting rights of the Company will notify the company can do so. If the Company do not proceed as according to shareholders within 1 month from the date of notification such shareholders are able to

exercise the right to claim benefits from that director on behalf of the company in accordance with Section 89/18 of the Securities and Exchange Act B.E. 2535 (including any amendments)