

Information Memorandum on the Issuance Offering and Allotment of Newly Issued Ordinary Shares  
of Wow Factory Public Company Limited

The Board of Directors' Meeting No. 7/2024 of Wow Factor Public Company Limited (the “**Company**”) was held on November 18, 2024, resolved to propose to the Extraordinary General Meeting of Shareholders No. 1/2024 to consider and approve the issuance and the allotment of newly issued ordinary shares of the Company in amount of not exceeding 492,728,423 shares at a par value of THB 1.00 per share by increasing the registered capital of THB 492,728,423 from the registered capital of THB 2,868,115,186 to the new registered capital of THB 3,360,843,609 in order to reserve (1) the issuance and offering of newly issued ordinary shares under a general mandate to specific persons by way of private placement with an amount of not exceeding 190,000,000 shares at a par value of THB 1.00 per share (2) the issuance and offering of newly ordinary issued shares to the existing shareholders in proportion to their respective shareholding with an amount of not exceeding 302,728,423 shares.

In this regard, the Company has prepared information regarding the allocation of newly issued shares, which contains essential details for shareholders' decision-making. The details are as follows:

**1. Details of the Issuance and Offering of Newly Issued Ordinary Shares of the Company**

**1.1. General Characteristics of the Transaction**

**1.1.1. Allocation of newly issued ordinary shares under a general mandate to specific persons by way of private placement**

The Company intends to allocate up to 190,000,000 newly issued ordinary shares, with a par value of THB 1.00 per share, under a general mandate to specific persons by way of private placement. Please refer to Section 2.2 General Mandate of the Capital Increase Report Form (F53-4). In this regard, the issuance and allocation of newly issued ordinary shares under a general mandate to specific persons by way of private placement in this round is not classified as a connected person of the Company according to the Notification of the Capital Market Supervisory Board No. Tor.Jor. 21/2551 Re: Rules on Connected Transactions (as amended) and the Notification of the Board of Governors of the SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003), dated November 19, 2003 (as amended) (the “**Notification on Related Parties Transactions**”).

In addition, the Investors who have been allocated newly issued ordinary shares do not have relationships or act in concert (Concert Party), or have any relationships to be construed as persons under Section 258 of the Securities and Exchange Act B.E. 2535 (as amended) that will impose a requirement to make a tender offer (Tender Offer) to purchase all securities of the Company subsequent to the allocation of the newly issued ordinary shares of the Company.

The issuance and offering of newly issued ordinary shares in this round does not fall within the scope of offering new shares to specific persons by way of private placement, as deemed significant according to the Notification No. TorJor. 28/2565 re: The authorization for the listed company to offer the sale of newly issued shares to specific persons (as amended) ("**Notification No. TorJor. 28/2565**").

The offering price to specific persons by way of private placement must be the best price based on market conditions at the time of offering to investors, ensuring the best interests of the Company and its shareholders. The price must not be considered a low price according to the criteria set by the SEC Office and the SET, and must not be lower than any of the following prices: (a) weighted average market price of the Company's ordinary shares on the SET for not less than 7 consecutive business days but not exceeding 15 consecutive business days prior to the date on which the Board of Directors resolves to determine the offering price, with a possible discount of not more than 10 percent of such price; or (b) price determined through a book building process in which investors indicate their desired purchase price for the Company's newly issued shares, as surveyed by a securities company; or (c) fair value of shares as appraised by a financial advisor approved by the SEC, in accordance with the criteria specified in the Notification No. TorJor. 28/2565. The issuance and allocation of the newly issued shares must also comply with the criteria prescribed by the SEC.

In this regard, since the Company has accumulated losses as shown in the financial statements for the specific business as of the end of the accounting period on September 30, 2024 (audited version), the Company is therefore able to set the offering price of ordinary shares to increase the Company's capital, which will be offered for sale to the Investors, which is a specific person, in this round, at a price lower than the par value of the Company. The Company must comply with Section 52 of the Public Limited Company Act B.E. 2535 (as amended), and approval must be obtained from the shareholders' meeting with a vote of not less than 3/4 of the total votes of shareholders who attend the meeting and have the right to vote, excluding the shareholders who have conflicting interest.

As the offering price of the newly issued ordinary shares under a general mandate to specific persons by way of private placement is not considered as the offering with price lower than 90 percent of the market price as

per the criteria under Notification No. TorJor. 28/2565, such shares offered for sale are not subject to the silent period. Therefore, the Company is not obligated to prohibit investors who have received shares from the offering of newly issued shares by way of private placement in this round from selling all the shares acquired from the offering within the timeframe specified by the criteria set forth in the Securities and Exchange Commission's Announcement on Criteria, Conditions, and Procedures for Considering Applications for Registration of Ordinary Shares or Preferred Shares Offering in the Securities Market, B.E. 2558, dated May 11, 2015 (as amended).

However, the allotment of the shares as detailed above must not result in the Investors holding shares in the Company in the number that reaches or passes the trigger point requiring the Investors to make a tender offer as required under the Notification of the Capital Market Supervisory Board TorJor. 12/2554 re: Rules, Conditions, and Procedures for the Acquisition of Securities for Business Takeovers, or in violation of the foreign shareholding restriction as specified in the Articles of Association of the Company, which allows, foreigners to hold shares in the Company of not exceeding 49 percent of the total sold shares of the Company.

Furthermore, the meeting resolved to propose to the shareholders' meeting to consider and approve the authorization of the Board of Directors, or the Executive Committee, or the Chief Executive Officer, or the person authorized by the Board of Directors, or the person authorized by the Executive Committee, or the person authorized by the Chief Executive Officer to have the power to take any actions relating to the issuance, offering, allocation, and subscription of such newly issued ordinary shares, including the following actions:

- (1) determine any other details related to the allocation of newly issued ordinary shares under a general mandate to specific persons by way of private placement, including but not limited to determining the offering period, as well as setting conditions and details to comply with laws and regulations relating to the issuance and offering of securities;
- (2) determine and amend the subscription date and offering date of newly issued ordinary shares, the allocation of newly issued ordinary shares either once or in portions, payment for shares, including conditions and other details relating to the subscription and offering of such newly issued ordinary shares;
- (3) sign, amend, change, contact, or inform various matters in application documents and necessary and relevant evidence related to the issuance, offering, allocation, subscription, and delivery of such newly issued ordinary shares, including contacting and submitting applications, documents,

and evidence to the Ministry of Commerce, the SEC Office, the SET, government agencies, or other relevant organizations, and listing of the Company's newly issued ordinary shares on the SET, and have the power to take any other necessary and appropriate actions to ensure the successful issuance, offering, and allocation of newly issued ordinary shares to specific persons of the Company; and

- (4) register the amendment to the Memorandum of Association with the Department of Business Development, Ministry of Commerce, and proceed with any necessary actions to comply with the registrar's instructions to complete the registration.

However, after the offering of the Company's newly issued ordinary shares under a general mandate to specific persons by way of private placement, the increase in paid-up capital of the Company must not exceed 10 percent of the paid-up capital as of the date on which the Board of Directors resolves to approve the capital increase under a general mandate. The allocation of such newly issued shares must be completed by the date of the Company's next annual general meeting of shareholders or by the date required by law for holding the next annual general meeting of shareholders, whichever occurs first.

**1.1.2. Allocate newly issued ordinary shares in the amount of not exceeding 302,728,423 shares at a par value of THB 1.00 to existing shareholders of the Company proportionate to their respective shareholding (Rights Offering)**

The share allocation ratio is 7 existing shares per 1 newly issued ordinary share, at an offering price of THB 0.70 per share. Any fractional shares resulting from proportional calculation based on each shareholder's holdings will be disregarded. The Record Date for determining the shareholders entitled to subscribe to the newly issued ordinary shares is set for January 6, 2025. However, the right to subscribe to the shares remains subject to approval by the shareholders' meeting.

Remark: Persons who are allotted newly issued ordinary shares under a general mandate through private placement shall be entitled to receive an allocation of newly issued ordinary shares to existing shareholders of the Company proportionate to their respective shareholding (Rights Offering), provided that such allocation of newly issued ordinary shares under a general mandate through private placement occurs before the Record Date for determining shareholders eligible for the allocation and offering of newly issued ordinary shares to existing shareholders of the Company proportionate to their respective shareholding (Rights Offering).

In the allocation of newly issued ordinary shares to the Company's existing shareholders in proportion to their shareholding (Rights Offering), if there are any remaining shares after the initial allocation to all existing shareholders according to their rights, the Company will allocate these remaining shares to existing shareholders who wish to subscribe beyond their entitlement in proportion to their shareholding (Oversubscription). The offering price shall be at the same price as the shares allotted according to their rights. The details are as follows:

- (a) In case there are shares remaining from the allocation to the existing shareholders of the Company proportionate to their respective shareholding (Rights Offering) in the first round which exceeds 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 the oversubscription shares and pay all subscription fees for such oversubscription shares;
- (b) In the event that there are shares remaining from the allocation to the existing shareholders of the Company (Rights Offering) in the first round, which is less than 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 the oversubscription shares according to the following steps:
  - (1) to allocate according to the proportion of existing shareholders of each subscriber of oversubscription shares by multiplying the existing shareholding proportion of each subscriber with the number of remaining shares. The result is the number of shares that each subscriber of oversubscription shares is allocated. Any fractions resulting from the allocation 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 there are still shares remaining after the allocation under item b (1), the allocation shall be made to each subscriber of oversubscription share and has not been fully allocated by multiplying the existing shareholding of each subscriber with the number of remaining shares. The result is the number of shares that each subscriber of oversubscription shares is allocated. Any fractions resulting from the allocation 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. In this regard, the allocation of

oversubscription shares to each subscriber of oversubscription shares pursuant to the procedures under this item shall be repeated until there are no shares left from the allocation.

In this regard, the allotment of shares through oversubscription must not, under any circumstances, result in any shareholder (including persons under Section 258 of the Securities and Exchange Act B.E. 2535, as amended, associated with such shareholder) holding shares of the Company in such a way that:

- (a) in the number that reaches or passes the trigger point requiring the Investor to make a tender offer as required under the Notification of the Capital Market Supervisory Board TorJor. 12/2554 Re: Rules, Conditions, and Procedures for the Acquisition of Securities for Business Takeovers (as amended) (the “**Notification No. TorJor. 12/2554**”), unless such shareholder is exempt from making a tender offer for all securities of the Company as specified under the Notification No. TorJor. 12/2554; or
- (b) in a manner that violates foreign shareholding restrictions as specified in the Company's Articles of Association.

The details of the allocation of newly issued ordinary shares are provided in Enclosure 2 (Capital Increase Report Form (F53-4))

In addition, the Board of Directors approved to propose to the shareholders' meeting to consider authorizing the Board of Directors and/or Executive Committee and/or Chief Executive Officer and/or any person appointed by the Board of Directors and/or Executive Committee and/or Chief Executive Officer to have the power to:

- (a) determine details of the allocation of newly issued ordinary shares for offering to existing shareholders in proportion to their shareholding;
- (b) determine or amend the method of allocating newly issued ordinary shares, such as allocation in one or multiple offerings, offering ratio, record date for shareholders entitled to receive newly issued shares (Record Date), setting subscription dates and payment times, offering period, offering price, payment methods, and other details regarding allocation and offering;
- (c) sign applications for permission, waiver requests, notices, or any documents related to the allocation of newly issued ordinary shares, including contacting and submitting documents to

officials or representatives of any relevant agencies, as well as listing the Company's newly issued ordinary shares on the SET; and

- (d) perform any necessary actions related to the allocation of newly issued ordinary shares in all respects to offer to existing shareholders in proportion to their respective shareholding under relevant laws and regulations.

## 2. Objectives of the Capital Increase and Plan for Use of Additional Funds

The Company will issue and allocate new ordinary shares for offering to Investors and existing shareholders in proportion to their shareholding, to pay trade payables and other creditors, repay the Company's existing debts that the Company has used as a source of funding for its operations in the past (various loans), and use as working capital for the Company's business operations with details as follows:

Objective and Plan for Use of Funds	Amount	Time Frame
1. Settlement of trade and other payables	Not exceeding THB 150 million	2024 - 2025
2. Loan repayment	Not exceeding THB 150 million	
3. Working capital requirements	Remaining funds from Items 1 and 2	

The plan for utilizing such funds may be changed depending on the liquidity of the Company's cash and the assets in the present, operating results, cash flow, business plans, investment plans, other necessities and suitability as deemed suitable by the Board of Directors. Such decisions will be made in consideration of the Company's overall benefits and the interests of its shareholders

## 3. Impact on Shareholders (Dilution Effect)

### 3.1 Impact of the Offering of Newly Issued Ordinary Shares under a General Mandate to Specific Persons by way of Private Placement

#### 3.1.1 Impact on market price (Price Dilution)

Impact on market price cannot be calculated at this time as it depends on the pricing determination and market price during the payment period.

### 3.1.2 Impact on shareholding proportion (Control Dilution)

After the issuance and offering of newly issued ordinary shares to specific persons by way of private placement (Private Placement), it will reduce the existing shareholders' voting rights by 8.97 percent which is calculated as follows:

$$\begin{aligned}
 &= \frac{\text{Number of PP's voting rights}}{\text{Numbers of paid up shares + Number of PP shares}} \\
 &= \frac{190,000,000}{1,929,098,958 + 190,000,000} \\
 &= 8.97 \text{ percent}
 \end{aligned}$$

### 3.2 Impact of the issuance and offering of newly issued ordinary shares to the existing shareholders proportionate to their respective shareholding (Right Offering)

#### 3.2.1 Impact on market price (Price Dilution)

After the RO issuance and offering of which will occur after the issuance and offering of PP, it will affect the market price of the Company's share to reduce by 1.06 percent, from the following calculation:

$$\begin{aligned}
 &= \frac{\text{Market price before the RO offering} - \text{Market price after the RO offering}}{\text{Market price before the RO offering}} \\
 &= \frac{0.6924 - 0.6934}{0.6924} \\
 &= (1.06) \text{ percent}
 \end{aligned}$$

Whereby

Market price before the RO offering = Weighted average price of the Company's shares traded on the SET over a period of 15 consecutive business days prior to the date of the Board of Directors' Meeting between October 28, 2024 and November 15, 2024 is equal to THB 0.6924 per share.

Market price after the PP and RO offering =

$$\begin{aligned}
 &= \frac{(\text{Market price before the RO offering} \times \text{Number of paid-up shares}) + (\text{The RO shares offering price} \times \text{Number of RO shares offered})}{\text{Number of paid-up shares} + \text{Number of RO shares offered}}
 \end{aligned}$$



$$\begin{aligned}
 &= \frac{(0.6924 \times 1,929,098,958) + (0.70 \times 302,728,423)}{1,929,098,958 + 302,728,423} \\
 &= \text{THB 0.6934 per share}
 \end{aligned}$$

### 3.2.2 Impact on shareholding proportion (Control Dilution)

After the issuance and offering of RO shares, which will occur following the PP offering, if shareholders who receive RO subscription rights exercise their rights to purchase all of the newly issued ordinary shares, there will be no impact on the voting rights of the Company's shareholders. However, if shareholders who receive RO subscription rights do not exercise their rights and other shareholders exercise all rights, there will be an impact on the voting rights of existing shareholders, whose voting rights will decrease by not more than 13.56 percent, calculated as follows:

$$\begin{aligned}
 &= \frac{\text{Number of RO's voting rights}}{\text{Numbers of paid-up shares} + \text{Number of RO shares}} \\
 &= \frac{302,728,423}{1,929,098,958 + 302,728,423} \\
 &= 13.56 \text{ percent}
 \end{aligned}$$

## 4. Worthiness to the Shareholders Compared with Impact to Control Dilution

When comparing the benefits shareholders will receive from this issuance and offering of capital increase shares, the Board of Directors views that such offering will be more beneficial to shareholders than the impact from the dilution of shareholders' voting rights, as it will provide the Company with increased working capital and reduce its interest burden. This will result in improved liquidity and stronger financial position for the Company. If the Company achieves good operating performance, shareholders will receive dividends according to the Company's dividend policy.

## 5. Opinion of the Board of Directors

### 5.1 Rationale and necessity for capital increase

For the Company to use the proceeds to repay its debts to reduce interest burden and address overdue payments with various trade partners, as well as use as working capital to enhance liquidity. Additionally,

this issuance and offering of newly issued ordinary shares will enable the Company to raise funds within an appropriate timeframe and not affect business operation due to liquidity issues.

However, In the event that the Company does not secure funds from this capital increase, the Company might face challenges in repaying debts and alleviating its interest burden. From the abovementioned reasons, the Board of Directors is therefore of the opinion that this capital increase is necessary for the Company to utilize according to the above objectives which will enhancing the Company's operating results in long run.

## **5.2 Reasons and necessity of the issuance and offering of new shares by way of private placement**

The Board of Directors is of the opinion that issuing and offering newly issued ordinary shares to investors and existing shareholders is an effective and reasonable approach to capital raising, which is best suited to the Company's current situation and will bring maximum benefit to the Company. Combining issuing and offering of newly issued ordinary shares to the existing shareholders proportionate to their respective shareholding with issuing and offering of newly issued ordinary shares under a general mandate to specific persons by way of private placement is a capital-raising strategy that meets the Company's funding needs in an appropriate way. Compared to other methods, such as a Public Offering, securing funds through bank loans, or alternative capital-raising methods, which may delay or fail to provide the required funding, thus potentially impacting the Company's operational plans and financial standing, this combined approach offers a more efficient and immediate solution. The Board has considered other fundraising methods and has reached the following conclusions:

- (a) Public Offering: The Board of Directors is of the opinion that this method will take more time than the right offering and private placement methods and the Company may not be able to offer its shares as planned because it will take long preparation time and require approvals from the relevant authorities, making the Company unable to control the process schedule.
- (b) Issuing debt instruments or applying for loans: The Board of Directors has opined that this method is not appropriate at this time because the process of applying for loans from financial institutions will take a long time, which does not meet the Company's urgent capital needs. Therefore, issuing debt instruments is very unlikely and not suitable for the Company's capital needs at present.

For the reasons mentioned above, the Board of Directors believes it is necessary for the Company to increase its capital by issuing and offering newly issued ordinary shares to the existing shareholders proportionate to their respective shareholding (Rights Offering), as well as issuing and offering newly issued ordinary shares under a general mandate to specific persons by way of private placement.

### 5.3 Feasibility of the proceeds utilization plan and sufficiency of funding source

The Company expects to issue and offer newly issued ordinary shares to private placement investors and the issuance and offer new ordinary shares of the Company to the existing shareholders of the Company proportionate to their shareholding (Right Offering) within quarter 1 of 2025.

In this regard, the Board of Directors expects to complete the process of issuing and offering new shares to the Investors and receiving proceeds therefrom within the timeframe as approved by the shareholders' meeting.

The Company will use the proceeds for the capital increase to pay trade payables and other creditors, repay the Company's existing debts that the Company has used as a source of funding for its operations in the past (various loans), and use as working capital for the Company's business operations with details as follows:

Objective and Plan for Use of Funds	Amount	Time Frame
1. Settlement of trade and other payables	Not exceeding THB 150 million	2024 - 2025
2. Loan repayment	Not exceeding THB 150 million	
3. Working capital requirements	Remaining funds from Items 1 and 2	

However, the amount of debts may increase or decrease from the business operation. In addition, the settlement of debts will be carried out as deemed appropriate by the Company.

### 5.4 Expected impact on business operations, financial position and business performance of the Company due to the capital increase

The Board of Directors has considered and is of the opinion that entering into such transaction will enhance liquidity and support the Company's current business operations, as well as strengthen both the financial structure and long-term debt-to-equity ratio of the Company. This will provide greater financial flexibility for

the Company's future business operations and serve as a reserve source of working capital to support the Company's operations. Therefore, such capital increase will not have any negative impact on the Company's business operations, financial position, and operating performance.

As of September 30, 2024, the Company has trade payables and other creditors of approximately THB 125.67 million and loan liabilities of approximately THB 231.15 million. Therefore, if the proceeds from this capital increase are used to repay the aforementioned debts, the impacts will be as follows (assuming total proceeds from capital increase of THB 344.91 million):

As of September 30, 2024 (adjusted with capital increase information during October 1, 2024 - November 15, 2024, at the offering price of THB 0.65 per share for 580.78 million shares)	Before Capital Increase	Estimate effect after Private Placement (Debt repayment of THB 300 million)
Asset	THB 1,185.53 million	THB 1,230.44 million
Liabilities	THB 544.00 million	THB 244.00 million
Shareholders' Equity	THB 641.53.02 million	THB 986.44 million
Paid-up registered capital	THB 1,929.10 million	THB 2,421.83 million
Shareholders' Equity/ Paid-up registered capital net of share discount	33.26 percent	40.73 percent
D/E Ratio	0.85 times	0.25 times

#### 5.5 Reasonableness of the offering price and the offering price determination method

Issuance and offering of newly issued ordinary shares under a general mandate through private placement:

Source of offering price: According to SEC Office and SET pricing criteria, not lower than the weighted average market price of the Company's ordinary shares on SET for not less than 7 consecutive business days but not exceeding 15 consecutive business days prior to the Board's resolution on offering price, with

possible discount not exceeding 10 percent. The offering price is therefore not lower than 90 percent of market price per the Notification TorJor. 28/2565.

Issuance and offering of newly issued ordinary shares to existing shareholders proportionate to their respective shareholding (Rights Offering):

The source of offering price is based on funding requirements according to objectives.

After considering the rationale, necessity, and benefits to the Company from issuing and allocating newly issued ordinary shares, the Board of Directors resolved to approve such issuance and allocation, viewing that the allocation conditions and offering price are appropriate and serve the best interests of shareholders, enabling the Company to secure required funding within an appropriate timeframe.

#### **5.6 Rationale, necessity, and reasonableness of the capital increase**

The Board of Directors considers that this issuance and offering of newly issued ordinary shares will enable fundraising within an appropriate timeframe, resulting in stronger financial stability and improved performance, as the Company will have working capital for business operations and ability to settle outstanding debts.

However, if the Company does not receive funds from this capital increase, it will result in the Company lacking working capital for business operations and insufficient funds to settle debts with creditors. Additionally, the Company may require more time to resolve its accumulated loss issues. For these reasons, the Board of Directors views that this capital increase is necessary for the Company to use the proceeds as working capital for business operations, to provide additional funding sources, strengthen its capital structure and financial position, which will help contribute to improved operating performance trends in the future.

#### **6 Representations of the Board of Directors**

In the event where any director of the Company fails to perform his/her duties as required by law, objectives and the Articles of Association of the Company as well as resolutions of the shareholders' meeting, with integrity and due care to protect the Company's interests in connection with this capital increase, and such non-performance, by act or omission, causes damage to the Company, the shareholders may claim damages from such director on behalf of the Company, pursuant to Section 85 of the Public Limited Companies Act B.E. 2535

(1992) (as amended). In addition, should such non-performance, by act or omission, of director's duties as required by law, objectives and the Articles of Association of the Company as well as resolutions of the shareholders' meeting, with integrity and due care to protect the Company's interests in connection with this capital increase, causes any director, executive or related persons to derive any undue gains, one or more shareholders holding not less than 5 percent of all of the voting rights of the Company may, on behalf of the Company, exercise the right to bring an action against such director for disgorgement of benefits, pursuant to Section 89/18 of the Securities and Exchange Act B.E. 2535 (1992) (as amended).

No directors with conflicts of interest and/or directors who were connected persons attended the meeting, and such directors do not have voting rights at the meeting.

The Board of Directors also certifies that it has carefully considered and verified the information of the Investors and is of the opinion that the allotment of newly issued shares to the Investors is justifiable.

**7 Opinion of the Audit Committee and/or the Director which is Different from the Board of Directors' Opinion**

The Audit Committee is of the opinion in accordance with the Board of Directors of the Company.

There were no directors with conflicts of interest and/or directors who were connected persons attending the Meeting and such directors do not have the right to vote at the Meeting.

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

Sincerely yours,

**Wow Factor Public Company Limited**

Signed by

*-Signed-*

(Miss Saowanee Khaoubol)

Authorized Director

- Company's seal affixed -

Signed by

*-Signed-*

(Mr. Tanawat Ueasiripan)

Authorized Director