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No. HEMP-026/2022

June 6, 2022

Subject Notification of the Resolutions of the Board of Directors' Meeting No. 5/2022 regarding the increasing of registered capital, the acquisition of the ordinary shares in Health Up Company Limited, the offering and allocation of the newly issued shares of the Company by the way of Private Placement and to reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2), the capital increase in the means of General Mandate, schedule for the Extraordinary General Meeting of Shareholders No.1/2022 and disposal of assets. ([Amendment No.1](#))

To: Director and Manager  
The Stock Exchange of Thailand

- Enclosure
1. Information Memorandum of Health Empire Corporation Public Company Limited on an Acquisition of Assets regarding the Acquisition of Ordinary Shares in Health Up Company Limited
  2. Information Memorandum on Offering and Allocation of Newly Issued Ordinary Shares of Health Empire Corporation Public Company Limited by way of Private Placement and to reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2)
  3. Capital Increase Report Form (F 53-4)

Health Empire Corporation Public Company Limited (the “**Company**”) hereby informs the resolutions of the Board of Directors Meeting No. 5/2022 held on June 3, 2022, at 9.00 am. through the electronic means (ZOOM Meeting) to the Stock Exchange of Thailand (the “**SET**”) as follows:

1. It was resolved to approve the acquisition and acceptance of the ordinary shares in Health Up Company Limited (“**HUG**”) in the amount of 1,000,000 shares at the par value of THB 100 per shares representing 40 percent of total registered and paid-up shares in HUG from TF Wealth Company Limited (the “**Seller of HUG Shares**”) (Fourson Group Enterprise Co., Ltd. holds shares in the Seller of HUG Shares in the



proportion of 99.997 percent of the total registered and paid-up capital of the Seller of HUG Shares provided that currently is on the process of incorporation registration with Department of Business Development Ministry of Commerce and expected to be complete within 6 June, 2022) at the total value of not exceeding THB 180,000,000 according to the method and procedure agreed by the parties, including the execution of the share purchase agreement, and other arrangements, contracts and documents relating to the acquisition and acceptance of shares in HUG (the “Share Purchase Transaction of HUG”). The Company will pay for the shares in HUG with the following details:

- (1) The Company will pay for the consideration in cash in the amount of THB 90,000,000.
- (2) The Company will pay for the consideration by issuance of newly issued ordinary shares of the Company by the way of a private placement offering as payment in kind instead of cash in the amount of not exceeding 11,250,000 shares at a par value of THB 1.00 per share, with the offering price of THB 8 per share, totalling THB 90,000,000 to the Seller of HUG Shares as payment in kind for the acquisition and acceptance of the ordinary shares in HUG from the Seller of HUG Shares, representing 3.07 % of all issued and paid-up shares of the Company (based on all issued and paid-up shares of the Company after the execution of share allocation in consideration of the Share Purchase Transaction of HUG)

The shares allocation transaction in consideration for the purchase of the ordinary shares in HUG to the Seller of HUG Shares which is not a connected person of the Company constitutes an offering of newly issued ordinary shares by way of private placement, whereby the Shareholders' Meeting of the Company shall pass a resolution to specifically determine the offering price at THB 8 per share, which is not lower than 90% of the market price of the Company's shares pursuant to the requirements of the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Permission for Listed Companies to Offer Newly Issued Shares to Specific Investors dated October 28, 2015 (as amended) (the “Notification No. TorJor. 72/2558”). In this regard, the “market price” refers to the weighted average price of the Company's shares listed on the SET for the past period of at least 7 consecutive business days, but not exceeding 15 consecutive business days prior to the date the Board of Directors passed its resolution to propose this matter to the Shareholders' Meeting of the Company to approve the capital increase and the allocation of new shares, whereby the weighted average price of the Company's shares calculated for the past 7 consecutive business days during the period from May 25, 2022 to June 2, 2022 is equal to THB 7.95 per share (Source: SETSMART from [www.setsmart.com](http://www.setsmart.com)). The Company's newly issued ordinary shares shall be used as payment in kind for the acquisition and acceptance of HUG's shares from the Seller of HU



Shares (the “Transaction involving the Share Allocation in Consideration of an Acquisition of Shares in HUG”).

The Share Purchase Transaction of HUG is regarded as an acquisition of assets pursuant to the Notification of the Capital Markets Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated August 31, 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 Acquisition and Disposition of Assets B. E. 2547 (2004) dated October 29, 2004 (as amended) (the “Notifications on Acquisition and Disposition of Assets”). Upon calculation of the transaction size based on total value of consideration compared to net tangible assets value of the Company according to the reviewed quarterly financial statements of the Company ended March 31, 2022 the transaction value is equal to 12.68%. Upon combination of the Company’s transactions involving the acquisition of assets over the past six months which is 11.01%, the highest value of the transaction is equal to 23.69% based on the total value of consideration criteria. The transaction is regarded as a type 2 (the transaction between the listed company and non-listed person which is equal to 15% or higher, but lower than 50%) pursuant to the Notifications on Acquisition or Disposition of Assets. Therefore, the Company is required to immediately report and disclose an information memorandum on such transaction by the Company to the SET, which must at least contain the information as required in List (1) attached to the Notifications on Acquisition or Disposal of Assets, and give notice to the shareholders within 21 days from the date of such disclosure to the SET, which must at least contain the information as required in Lists (2) 1, 2, 3, 5(3), 7 and 8 attached to the Notifications on Acquisition or Disposal Assets.

Please refer to the details of the Share Purchase Transaction of HUG in Information Memorandum of Health Empire Corporation Public Company Limited on an Acquisition of Assets regarding the Acquisition of Ordinary Shares in Health Up Company Limited (**Enclosure 1**) and Information Memorandum on Offering and Allocation of Newly Issued Ordinary Shares of Health Empire Corporation Public Company Limited by way of Private Placement and to reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2) (**Enclosure 2**).

However, the Share Purchase Transaction of HUG and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in HUG shall proceed only after the conditions precedent as specified in the Shares Purchase Agreement between the Company and the Seller of HUG Shares (the “Shares Purchase Agreement”), have been fulfilled or waived. The significant conditions precedent is summarized below.

- (1) The Board of Directors of the Company shall resolve to approve the execution of the Share Purchase Transaction of HUG;
- (2) The Board of Directors' meeting and the Shareholders' meeting of the Company the execution of the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in HUG including approval on various matters necessary for and/or in connection with such transactions;
- (3) as of the date of acquisition of HUG's ordinary shares, there shall be no event or action having occurred or caused to occur or reasonably believed to be likely to occur, which may give rise to any material and adverse impact on HUG or jeopardize the execution of the Share Purchase Transaction of HUG and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in HUG;
- (4) Securities and Exchange Commission (the "SEC Office") shall have approved the private placement of the newly issued ordinary shares to the Seller of HUG shares by way of private placement;
- (5) the Board of Directors' meeting and Shareholders' meeting of the Seller of HUG Shares shall resolve to approve the increase of HUG's registered capital in the amount of THB 240,000,000 consisting of 2,400,000 shares at the par value of THB 100 per shares. After the increase of HUG's registered capital, HUG has the registered capital of THB 250,000,000 divided into 2,500,000 shares at the par value of THB 100 per shares;
- (6) the Board of Directors' meeting and Shareholders' meeting of the Seller of HUG Shares shall resolve to approve the disposal of the ordinary shares in HUG to the Company including the execution of the share purchase agreement, and other arrangements, contracts and documents relating to the Share Purchase Transaction of HUG and the Transaction involving the Share Allocation in Consideration of an Acquisition of Shares in HUG and also any arrangement to complete the the Share Purchase Transaction of HUG and the Transaction involving the Share Allocation in Consideration of an Acquisition of Shares in HUG.

In this regard, the meeting of the Board of Directors has resolved to approve the authorization of the Board of Directors or the Executive Committee or Chief Executive Officer or the person authorized by the Board of Directors or the Executive Committee or Chief Executive Officer to make any arrangements in connection with or necessary for the execution of the Share Purchase Transaction of HUG and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in HUG including to negotiate, enter into, sign and amend the shares purchase agreement, and other arrangements, contracts and documents necessary and relating to the Share Purchase Transaction of HUG and to set out rules, conditions and other details necessary for and in connection with the Share Purchase Transaction of HUG as necessary and appropriate under the applicable laws.

2. It was resolved to propose that the Shareholders' meeting to consider and approve an increase of the Company's registered capital by THB 49,366,750 from the current registered capital of THB 533,549,250 to be THB 582,916,000 by issuing not exceeding 49,366,750 newly issued ordinary share at a par value of THB 1 per share to (1) offer by the way of private placement in the amount not exceeding 11,250,000 shares (2) reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2) in the amount not exceeding 2,546,800 shares and (3) offer by the means of General Mandate for offering by the way of the Private Placement in the amount not exceeding 35,569,950 shares and approve an amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase of the Company's registered capital as follows:

“Clause 4.	Registered Capital	:	THB 582,916,000	(Five Hundred Eighty-Two Million Nine Hundred Sixteen Thousand Baht)
	Divided into	:	582,916,000 shares	(Five Hundred Eighty-Two Million Nine Hundred Sixteen Thousand shares)
	Par value per share	:	THB 1.00	(One Baht)
	Classified into	:		
	Ordinary shares	:	582,916,000 shares	(Five Hundred Eighty-Two Million Nine Hundred Sixteen Thousand shares)
	Preferred shares	:	-None-	-”

In addition, the Board of Directors' Meeting resolved to grant approval to propose the Shareholders' Meeting to consider authorizing the Board of Directors or the Executive Committee or Chief Executive Officer or the person authorized by the Board of Directors or the Executive Committee or Chief Executive Officer to have a power to take any arrangements in relation to the registration of the amendment of the Memorandum of Association with the Department of Business Development, Ministry of Commerce, and to take any necessary arrangements in compliance with the registrar's order to effect the registration.

3. It was resolved to propose that the Shareholders' meeting to consider and approve the issuance and allocation of not exceeding 49,366,750 newly issued ordinary shares of the Company at a par value of THB1 per share to (1) offer by the way of private placement in the amount not exceeding 11,250,000 shares (2) reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2) in the amount not exceeding 2,546,800 shares and (3) offer by the means of General Mandate for offering by the way of the Private Placement in the amount not exceeding 35,569,950 shares. The details of which are as flows:

- 3.1 It was resolved to propose that the Shareholders' meeting to consider and approve the allocation of the newly issued ordinary shares in the amount not exceeding 11,250,000 shares at a par value of THB1 per share with the offering price of THB 8 per share, totalling of THB 90,000,000 to offer to the Seller of HUG Shares by the way of Private Placement as payment in kind for the Share Purchase Transaction of HUG. In this regard, the Seller of HUG Shares shall pay the purchase price with 1,000,000 ordinary shares of HUG at a par value of THB 100 per share (or representing 40 percent of total registered and paid-up shares in HUG) instead of cash payment for the Company newly issued shares.

The issuance and allocation of newly issued ordinary shares in consideration of the acquisition of shares in HUG to the Seller of HUG Shares as aforementioned above constitutes a private placement of newly issued ordinary shares constitutes an offering of newly issued ordinary shares by way of private placement, whereby the Shareholders' Meeting of the Company shall pass a resolution to specifically determine the offering price at THB 8 per share, which is not lower than 90% of the market price of the Company's shares pursuant to the Notification No. TorJor. 72/2558. The transaction must be approved by the Shareholders' Meeting of the Company with affirmative votes of not less than three-fourths of the total number of votes of the shareholders who attend the meeting and are entitled to vote. In addition, not only the approval from the Shareholders' meeting to allow the Company to offer and allocate the newly issued ordinary shares of the Company, the



Company also required to obtain approval from the SEC Office as specified in the Notification No. TorJor. 72/2558 before such offering and allocation of the Company's newly issued ordinary shares.

In this regard, the "market price" for the issuance the newly issued ordinary shares to the Seller of HUG Shares is calculated from the weighted average price of the Company's shares listed on the SET for the past period of 7 consecutive business days prior to the date the Board of Directors passed its resolution to propose this matter to the Shareholders' meeting to approve the issuance and allocation of the newly issued ordinary shares to the Seller of HUG Shares which is a private placement which during the period from May 25, 2022 to June 2, 2022 is equal to THB 7.95 per share (Source: SETSMART from [www.setsmart.com](http://www.setsmart.com)).

Moreover, if the offering price of the newly issued ordinary shares to the Seller of HUG Shares is lower than 90 percent of the market price of the Company's shares before the first day of offering of the newly issued ordinary shares, the Company is obliged to prohibit the Seller of HUG Shares from selling all of such newly issued ordinary shares within one year from the date on which the Company's newly issued ordinary shares start trading on the SET (Silent Period). Upon a lapse of six months after the Company's newly issued ordinary shares have started trading on the SET, the Seller of HUG Shares may gradually sell up to 25 percent of such locked-up shares in accordance with the requirements set out in the Notification of the SET Re: Rules, Conditions and Procedures for Consideration of Application for Listing of Ordinary Shares or Preferred Shares for Capital Increase as Listed Securities B.E. 2558 (2015) dated May 11, 2015 (as amended).

Even the issuance and offering of the newly issued ordinary shares to the Seller of HUG Shares in this occasion has the offering price which is not lower than 90 percent of the market price of the ordinary of the Company as detailed above and not considered as the cause of right adjustment as specified in terms and conditions governing the rights and obligations of the issuer and holders of the warrants to purchase the ordinary shares of health empire corporation public company limited series 2 (HEMP-W2) (the "Terms and Conditions"), however the meeting of the Board of Directors deemed it appropriate to propose that the Shareholders' meeting to consider and approve the capital increase to reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2) due to the Terms and Conditions specified that "The Company will adjust the exercise price and exercise ratio to purchase ordinary shares throughout the term of the Warrants when the Company offers to sell its

newly issued ordinary shares to the existing shareholders and/or the public and/or private placement at the average price per share of the newly-issued ordinary share lower than 90 percent of the “market price of the Company’s ordinary shares”. In this regard, “market price of the Company’s ordinary shares” means the average weighted price of the Company’s ordinary share traded in the SET during 7 consecutive Business Days before the first date of the offering of the newly issued ordinary shares to the private placement.

Therefore, if the offering price at the first date of the offering of the newly issued ordinary shares to the private placement is lower than 90 percent of the market price of the Company’s ordinary shares which the right adjustment shall effective immediately from the first date of the offering to the private placement. Please refer to more details in Clause 3.2 of this information memorandum.

In this regard, after the issuance and allocation of the newly issued ordinary shares of the Company, the Seller of HUG Shares shall hold the shares in the Company (after the increase of the registered paid-up shares of the Company) in the proportion of 3.07 of all issued and paid-up shares of the Company after the increase of the registered paid-up shares of the Company. Therefore, the Seller of HUG shares does not hold the number of shares that reaches or passes the trigger point requiring such 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 dated May 13, 2011 (and as amended) (“Notification TorJor. 12/2554”).

In this regard, the Company expects that the entire sale and purchase process will be complete within August 2022 (subject to the completion of the conditions precedent under the share purchase agreement) and after the Shareholders' Meeting has approved the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in HUG, including approval of matters necessary and/or in connection with the transaction.

In addition, the Board of Directors' Meeting resolved to propose that the Shareholders' Meeting consider approving to authorize the Board of Directors to make any arrangements in relation to the issuance, offering, allocation and subscription for such newly issued ordinary shares, including the following matters:

- (1) To determine, amend, add details relating to the issuance, offering, allocation and subscription for the newly issued ordinary shares, the offering date of the newly issued



ordinary shares, list of investor in the private placement , and the payment method for the newly issued ordinary shares (whereby the period of allocation and subscription may be on one or several occasions), including such arrangements relating to the issuance, offering, allocation and subscription for such newly issued ordinary shares, and information filing and disclosure to the SET; and

- (2) To sign, amend, change, contact or report any information in the applications and evidence necessary for and in connection with the issuance, offering, allocation, subscription and delivery of such newly issued ordinary shares, including contact and filing of the applications, documents and evidence with the Ministry of Commerce, the SEC Office, the SET, government agencies, or other relevant authorities, and the listing of the Company's newly issued ordinary shares on the SET, and to have the authority to take any other actions as deemed necessary and appropriate to ensure the successful completion of the Company's issuance, offering and allocation of the newly issued ordinary shares by way of private placement.

According to the Notification No. Tor.Jor. 72/2558, the Company shall complete the offering of shares within the period approved by the shareholders' meeting but not later than 3 months from the date on which the shareholders' meeting resolves to approve the offering of newly issued shares, or the Company must complete the offering of shares within 12 months from the date on which the shareholders' meeting has approved to offering the shares. In the event that the shareholders have clearly resolved that after the expiration of the 3 months' period, the Board of Directors or the person assigned by the Board of Directors shall determine the offering price according to the market price during the offering period.

Please refer to details of the opinion of the Board of Directors and issuance, offer and allocation of the Company's newly issued ordinary shares in the Information Memorandum on Offering and Allocation of Newly Issued Ordinary Shares of Health Empire Corporation Public Company Limited by way of Private Placement and to reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2) (**Enclosure 2**) and Capital Increase Report Form (F 53-4) (**Enclosure 3**).

- 3.2 It was resolved to propose that the Shareholders' meeting to consider and approve the allocation of the newly issued shares in the amount not exceeding 2,546,800 shares at a par value of THB1



per share to reserve for the right adjustment of the Warrants to Purchase the Ordinary Shares of the Company Limited Series 2 (HEMP-W2) which shall be adjusted.

Please refer to details of the opinion of the Board of Directors and issuance, offer and allocation of the Company's newly issued ordinary shares in the Information Memorandum on Offering and Allocation of Newly Issued Ordinary Shares of Health Empire Corporation Public Company Limited by way of Private Placement and to reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2) (**Enclosure 2**) and Capital Increase Report Form (F 53-4) (**Enclosure 3**).

- 3.3 It was resolved to propose that the Shareholders' meeting to consider and approve the allocation of the newly issued shares by the means of General Mandate in the amount not exceeding 35,569,950 shares at a par value of THB1 per share for offering by the way of the Private Placement.

In this regard, the offering price to the private placement shall be the best price based on the market value at the time of offering to the investor for the best interest of the Company and the shareholders, provided that the offering price shall not be the lower price under the price criteria regulation of the SEC and the SET which shall not lower than any one of the following price criteria: (a) the weighted average price of the Company's shares trading in the stock exchange market for not less than 7 consecutive business days, but not more than 15 consecutive business days prior to the date on which the offering price is determined, and the discount must not exceed 10 percent of such price or (b) the price through the process of opening for the investor to present their intention to purchase the newly ordinary shares of the Company at the desired price (Book Building) which was investigated by the securities company pursuant to the criteria prescribed under the Notification No. TorJor. 72/2558.

In addition, the allocation of the shares as above must not result in any investors to hold shares of the Company in the number that reaches or passes the trigger point requiring such 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.

Moreover, the Board of Directors has resolved to propose to the Shareholders' Meeting to consider authorizing the Board of Directors or the Executive Committee or Chief Executive Officer or the person authorized by the Board of Directors or the Executive Committee or Chief Executive Officer to consider and proceed with any matters necessary for, relating to the issuance, offering, allocation, and the newly issued shares subscription which are included the proceeding as follows:

- a) To determine the objective, date and time of the offering, an offering price for issuing and offering the newly ordinary shares, details, and any conditions in connection with the issuance, allocation, and subscription of the newly issued ordinary shares including to sing in any documents and any relevant agreements, including any executions which are necessary and appropriate connected to the issuing and offering of the newly issued ordinary shares in this occasion, and including to list the newly issued ordinary shares on Market for Alternative Investment (mai).

In this regard, the offering price by the way of the private placement shall not the lower price as prescribed in the market price of SEC and the SET regulations including the issuance and the allocation of newly issued share shall be in accordance with the regulation of the SEC.

- b) To consider the offering newly shares of the Company whether for the shares to be made in a single or multiple offering and will offer to any person or the group of the people at one time, including to determine the date and time, and offering price and the details and any related conditions with the allocation of such newly issued shares.

However, after the offering of newly ordinary share by the way of the private placement by means of the General Mandate, the additional paid-up capital of the Company shall not be exceeding 10 percent of paid-up registered capital at the date of the Board of Directors has the resolution to approve of the capital increase in the means of the General Mandate. The allocation of the newly issued ordinary shares shall be completed within the date on which the Company holds the next Annual General Meeting of Shareholders or within the date on which the laws require the Company to hold its next Annual General Meeting of Shareholders, whichever is earlier.

Please refer to the details of the allocation of the Company's newly issued ordinary shares in Capital Increase Report Form (F 53-4) (Enclosure 3).

4. It was resolved to approve the scheduled date of the Extraordinary General Meeting of Shareholders No. 1/2022 on August 9, 2022 at 8.30 A.M. via electronic means (e-AGM) in accordance with Emergency Decree on Electronic Meetings, B.E. 2563 (2020), and other related laws and regulations and scheduled the record date for determining the shareholders who have the right to attend the Extraordinary General Meeting of Shareholders No. 1/2022 at June 23, 2022 (Record Date), with the agenda of the Meeting as follows:

Agenda 1 To consider and adopt the minutes the 2022 Annual General Meeting of the Shareholders

Agenda 2 To consider and approve the increase of the Company's registered capital by THB 49,366,750 from the existing registered capital of THB 533,549,250 to be THB 582,916,000 by issuing of not exceeding 49,366,750 newly issued ordinary shares at a par value of THB 1 per share and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase of the Company's registered capital;

Agenda 3 To consider and approve the issuance and allocation of not exceeding 49,366,750 newly issued ordinary shares of the Company at a par value of THB1 per share to (1) offer by the way of private placement in the amount not exceeding 11,250,000 shares (2) reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2) in the amount not exceeding 2,546,800 shares and (3) offer by the means of General Mandate for offering by the way of the Private Placement in the amount not exceeding 35,569,950 shares at a par value of THB1 per share.

Agenda 3.1 To consider and approve the allocation of the newly issued ordinary shares to offer by the way of private placement in the amount not exceeding 11,250,000 shares;

Agenda 3.2 To consider and approve the allocation of the newly issued ordinary shares to reserve for t the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2) in the amount not exceeding 2,546,800 shares;

Agenda 3.3 To consider and approve the allocation of the newly issued ordinary shares by the means of General Mandate in the amount not exceeding 35,569,950 shares



Agenda 4 To consider other matters (if any)

Given that Agenda 2 to Agenda 3 of the Extraordinary General Meeting of Shareholders No. 1/2022 are interrelate, therefore, should any particular item not be approved by the Extraordinary General Meeting of Shareholders No. 1/2022, the remaining interrelate agenda items shall not longer be considered accordingly and the approved agenda items shall be deemed to be cancelled.

5. It was resolved to the Chief Executive Officer to have the power to consider revising the agenda and/or adding the agenda of the Extraordinary General Meeting of Shareholders No. 1/2022 including amendment the date, time and place for the Extraordinary General Meeting of Shareholders No. 1/2022, in the event where the Company encounters any problems on documentations and information, which cause the delivery of such documents and information to the shareholders within the time as required by law and the relevant rules and regulations, to be delayed or to be essentially revised or changed in respect of such date and time as appropriate.
6. It was resolved to the disposal of investment in ordinary shares of Slim Wellness Asia Co., Ltd. ("SWA"), a subsidiary in the amount of 26% (reduction of shareholding)

**transaction details are as follows**

1) Date, month, year of the transaction

- On June 3, 2022, a meeting of the Board of Directors approved the sale of investment in ordinary shares of Slim Wellness Asia Co., Ltd. ("SWA"), a subsidiary in the amount of 26%

2) Type and nature of the transaction

- Health Empire Corporation Public Company Limited ("HEMP") will sell its investment in ordinary shares of Slim Wellness Asia Co., Ltd. ("SWA"), which is a subsidiary in which the Company holds 51% shares, representing 26% or 103,999 shares (one hundred three thousand nine hundred ninety-nine shares), with a par value of 25 baht per share, totaling 2,599,975 baht (two million Five hundred ninety-nine thousand nine hundred and seventy-five baht) (Selling at the mutually agreed price due to SWA having a loss in excess of capital)

### 3) Parties involved and their relationship with the listed company

Seller : Health Empire Corporation Public Company Limited (“HEMP”)

Buyer : Ms. Chananrat Pukraksa

Relationship with the Company : The Buyer has no related relationship that is considered as a connected person. According to the Notification of the Securities and Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules for Connected Transactions and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Practices of Listed Companies 2546, including other announcements related

### 4) Details of disposed assets

company name	Slim Wellness Asia Co., Ltd. (“SWA”)
disposed assets	Investment in common stock 26%
location	51 Major Tower RAMA 9 – Ramkumhang FL. 20, Office 2, RAMA 9 RD., Huamak Sub-District, Bangkapi District, Bangkok 10240
Corporate registration number	0105564057456
Company registration date	March 31, 2021.
registered capital	40,000,000 baht
business type	Running a beauty service business and selling beauty products
director	<ol style="list-style-type: none"> <li>1. Mr. Smart Chuasiriphattana</li> <li>2. Mr. Sittichai Gasornsombat</li> <li>3. Ms. Pran Prachmetheekul</li> <li>4. Ms. Punnapha Techarojkul</li> </ol>
Director's power	Mr. Smart Chuasiriphattana or Mr. Sittichai Gasornsombat signed with Ms. Pran Prachmetheekul or Ms. Punnapha Techarojkul, a total of two persons jointly sign and affix the Company's seal.



shareholding structure Before and after the sale of some investments in ordinary shares of Slim Wellness Asia Co., Ltd. (“SWA”), a subsidiary (dilution of shareholding)

No.	shareholder	before the transaction		after the transaction	
		Shares	percent	Shares	percent
1.	Health Empire Corporation Public Company Limited (“HEMP”)	203,999	50.99	100,000	25.00
2.	Mr. Samart Chuasiriphattana	1	0.00025	-	-
3.	Ms. Pran Prachmetheekul	160,000	40.00	160,000	40.00
4.	Ms. Touchchakon Saenvian	36,000	9.00	36,000	9.00
5.	Ms. Chananrat Pukraksa	-	-	104,000	26.00
	<b>total</b>	<b>400,000</b>	<b>100.00</b>	<b>400,000</b>	<b>100.00</b>

Director structure Before and after the sale of some investments in ordinary shares of Slim Wellness Asia Co., Ltd. (“SWA”), a subsidiary (dilution of shareholding)

No.	before the transaction	No.	after the transaction
1.	Mr. Samart Chuasiriphattana	1.	Ms. Chananrat Pukraksa
2.	Mr. Sittichai Gasornsombat	2.	Mr. Sittichai Gasornsombat
3.	Ms. Pran Prachmetheekul	3.	Ms. Pran Prachmetheekul
4.	Ms. Punnapha Techarojkul	4.	Ms. Punnapha Techarojkul
	<p><b>with the power of directors to sign 2 out of 4 persons</b>            Mr. Samart Chuasiriphattana or Mr. Sittichai Gasornsombat signed with Ms. Pran Prachmetheekul or Ms. Punnapha Techarojkul, a total of two persons jointly sign and affix the Company's seal.</p>		<p><b>with the power of directors to sign 2 out of 4 persons</b>            Ms. Chananrat Pukraksa or Mr. Sittichai Gasornsombat signed with Ms. Pran Prachmetheekul or Ms. Punnapha Techarojkul, a total of two persons jointly sign and affix the Company's seal.</p>



### Size of the Disposal of Assets Transaction

Financial Information -GSC	HEMP March 31, 2022	SWA March 31, 2022
Total Assets	1,419,529,874	145,057,768.44
Deduct: Intangible assets	2,137,932	1,290,214.74
Deduct : Total liabilities	220,196,005	158,927,971.49
Deduct : Non-controlling interests	1,071,698,770	-
Net tangible assets (NTA)	(3,630,078)	-
Profit (Loss) Net	129,127,245	(15,160,417.79)

Calculation of the transaction size according to the announcement of acquisition or disposition according to all 4 calculations

Calculation Method	Calculation	Transaction size
1. Net tangible assets (NTA)	<u>Shareholding proportion (increase/decrease) 26% x NTA of the company transactionx100</u> Net Assets Value of the Company 129,127,245	N/A
2. Net Profit	<u>Shareholding proportion (increase / decrease) x Net Profit of the Company Transaction x 100</u> Company's net profit	N/A
3. Total value of consideration	<u>Total value of paid 2,599,975 x 100</u> Total assets of the Company 1,419,529,874	0.18
4. Securities value criteria	<u>Number of shares issued to pay for assets x 100</u> Number of issued and paid-up shares of the company	N/A
	<b>Maximum calculation criteria as of June 3, 2022 (Disposal of investments in SWA ordinary shares)</b>	<b>0.18</b>

However, entering the transaction is not considered a connected transaction but is classified as a disposal of assets of the Company according to the Notification of the Capital Market Supervisory Board No. TorJor. which is considered to be an acquisition or disposition of assets and the announcement of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Acts of Listed Companies Concerning the Acquisition or Disposal of Assets B.E. 2547 and as amended (collectively referred to as the "Notification on Acquisition or Disposal"), which, when calculating the size of the transaction based on the Total Value of Consideration Criteria, is 0.18%, which is the highest transaction value based on the Company's consolidated financial statements. For





the period ending March 31,2022 (For the disposal of assets of the Company in the past 6 months, including in Clause 7)

7. It was resolved to the disposal of investment in ordinary shares of Pot Planet Co., Ltd. (“POT”), which is held by More Medical Co., Ltd. (“MMD”), a subsidiary of 14.29%.

transaction details are as follows

1) Date, month, year of the transaction

- On June 3, 2022, a meeting of the Board of Directors approved the sale of investment in ordinary shares of Pot Planet Co., Ltd. (“POT”), which is held by More Medical Co., Ltd. (“MMD”), a subsidiary of 14.29%.

2. Type and nature of the transaction

- More Medical Co., Ltd. (“MMD”) a subsidiary will sell their investment in ordinary shares of Pot Planet Company Limited (“POT”) at MMD in the proportion of 14.29%, representing 30,000 shares (thirty thousand shares) at a par value of 100 baht per share, totaling 3,000,000. Baht (Three Million Baht) (Selling at Par price)

3) Parties involved and their relationship with the listed company

Seller : More Medical Co., Ltd. (“MMD”) a subsidiary

Buyer : Mr. Sajja Suksong

Relationship with the Company : The Buyer has no related relationship that is considered as a connected person. According to the Notification of the Securities and Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules for Connected Transactions and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Practices of Listed Companies 2546, including other announcements related

4) Details of disposed assets

company name	Pot Planet Co., Ltd. ("POT")
disposed assets	Investment in common stock 14.29%
location	No. 58/44 Areeya Village, Soi Nakniwat 6, Lad Phrao District, Lat Phrao District, Bangkok
Corporate registration number	0105564177061
Company registration date	December 31, 2021.
registered capital	21,000,000 baht
business type	Business of agricultural crops, <a href="#">Cultivation of hemp and other perennial crops.</a>
director	<ol style="list-style-type: none"> <li>1. Mr. Phiphat Nontanathorn</li> <li>2. Ms. Parinda Tangpiruntham</li> <li>3. Mr. Sajja Suksong</li> </ol>
Director's power	Mr. Phiphat Nontanathorn co-signed with another director and affixed the company's seal.

shareholding structure Before and after the sale of some investments in ordinary shares of Pot Planet Co., Ltd. ("POT"), which is held by More Medical Co., Ltd. ("MMD"), a subsidiary of 14.29%.

No.	shareholder	before the transaction		after the transaction	
		Shares	percent	Shares	percent
1.	Mr. Phiphat Nontanathorn	20,000	9.52	20,000	9.52
2.	Mr. Banyat Ingsakulrungruang	20,000	9.52	20,000	9.52
3.	Mr. Kan Chusetthakan	20,000	9.52	20,000	9.52
4.	Miss Naphasanan Charoensit	10,000	4.76	10,000	4.76
5.	Mr. President Homyoen	10,000	4.76	10,000	4.76
6.	Cheer Group Holdings Co., Ltd.	50,000	23.81	50,000	23.81
7.	More Medical Co., Ltd.	30,000	14.29	-	-
8.	Ms. Parinda Tangpiruntham	30,000	14.29	30,000	14.29
9.	Mr. Sajja Suksong	10,000	4.76	40,000	19.05
10.	Mr. Seree Jiratphikanpong	10,000	4.76	10,000	4.76
	<b>total</b>	<b>210,000</b>	<b>100.00</b>	<b>210,000</b>	<b>100.00</b>

List of shareholders of Cheer Group Holdings Co., Ltd. has a registered capital of 330,000,000 baht, divided into 33,000,000 shares with a par value of 10 baht per share.

No.	shareholders	Shares	percent
1.	Ms. Parinda Tangpiruntham	7,027,324	21.29
2.	Mrs. Pattama Tangpiruntham	6,631,355	20.10
3.	Mr. Worawut Tangpiruntham	6,579,036	19.94
4.	Mr. Somreuk Tangpiruntham	5,528,334	16.75
5.	Ms. Sudarat Wittayathanakorn	1,465,500	4.44
6.	Mr. Peanrak Nakob	1,383,274	4.19
7.	Mrs. Sararat Wittayathanakorn	641,500	1.94
8.	Mr. Wichai Wittayathanakorn	567,200	1.72
9.	Mrs. Rattana Chanpitak	532,909	1.61
10.	Mr. Phumphiphat Wittayathanakorn	374,727	1.14
	<b>Total</b>	<b>30,731,159</b>	<b>93.12</b>
	<b>Minority shareholders</b>	<b>2,268,841</b>	<b>6.88</b>
	<b>Total</b>	<b>33,000,000</b>	<b>100</b>

Director structure Before and after the sale of some investments in ordinary shares of Pot Planet Co., Ltd. (“POT”), which is held by More Medical Co., Ltd. (“MMD”), a subsidiary of 14.29%.

No.	before the transaction	No.	after the transaction
1.	Mr. Phiphat Nontanathorn	1.	Mr. Phiphat Nontanathorn
2.	Ms. Parinda Tangpiruntham	2.	Ms. Parinda Tangpiruntham
3.	Mr. Sajja Suksong	3.	Mr. Sajja Suksong
4.	Ms. Punnapha Techarojkul	4.	Ms. Punnapha Techarojkul
	with the power of directors to sign 2 out of 3 persons Mr. Phiphat Nontanathorn co-signed with another director and affixed the company's seal.		with the power of directors to sign 2 out of 3 persons Mr. Phiphat Nontanathorn co-signed with another director and affixed the company's seal.



## Size of the Disposal of Assets Transaction

Financial Information -GSC	HEMP March 31, 2022
Total Assets	1,419,529,874
Deduct: Intangible assets	2,137,932
Deduct : Total liabilities	220,196,005
Deduct : Non-controlling interests	1,071,698,770
Net tangible assets (NTA)	(3,630,078)
Profit (Loss) Net	129,127,245

\*POT registration date on December 20, 2021, [Therefore, there are no financial statements.](#)

Calculation of the transaction size according to the announcement of acquisition or disposition according to all 4 calculations

Calculation Method	Calculation	Transaction size
1. Net tangible assets (NTA)	<u>Shareholding proportion (increase/decrease) x NTA of the company transactionx100</u> Net Assets Value of the Company	N/A
2. Net Profit	<u>Shareholding proportion (increase / decrease) x Net Profit of the Company Transaction x 100</u> Company's net profit	N/A
3. Total value of consideration	<u>Total value of paid 3,000,000 x 100</u> Total assets of the Company 1,419,529,874	0.21
4. Securities value criteria	<u>Number of shares issued to pay for assets x 100</u> Number of issued and paid-up shares of the company	N/A
	<b>Maximum calculation criteria as of June 3, 2022 (Disposal of investments in SWA ordinary shares)</b>	<b>0.21</b>

However, entering the transaction is not considered a connected transaction but is classified as a disposal of assets of the Company according to the Notification of the Capital Market Supervisory Board No. TorJor. which is considered to be an acquisition or disposition of assets and the announcement of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 and as amended (collectively referred to as the “Notification on Acquisition or Disposal”), which, when calculating the size of the transaction based on the Total Value of Consideration Criteria, is 0.21%, which is the highest transaction value based on the Company's consolidated financial statements. For the period ending March 31,2022



The size of the transaction for disposing of assets of the Company during the 6-month period is as follows:

Criterion		The size of the transaction for disposing of assets of Pot Planet Co., Ltd.	The size of the transaction for disposing of assets of Slim Wellness Asia Co., Ltd. ("SWA")	Total cumulative item size
1	Calculation based on the value of net tangible assets (NTA)	cannot to calculate because the company just established	cannot calculate because the company has a loss	-
2	Calculation based on net operating profits	cannot calculate because the company has a loss	cannot calculate because the company has a loss	-
3	Calculation based on total value of consideration paid or received	0.21	0.18	0.39
4	Calculation based on value of equity shares issued for the payment of assets	Cannot be calculated because it is not a share issue.	Cannot be calculated because it is not a share issue.	-
The highest calculation criteria for Asset Disposal Transaction are Calculation based on total value of consideration paid or received = 0.39				

The Company has acquired assets in the past 6 months (Disposal of all ordinary shares of Pot Planet Co., Ltd. and some ordinary shares of Slim Wellness Asia Co., Ltd.), resulting in the highest transaction value of 0.39%. According to the consideration paid or received basis according to the Company's consolidated financial statements as of March 31, 2022, the value is lower than 15% based on the calculated basis, the transaction size is the highest. However, the said transaction does not qualify as a connected transaction and the size of the transaction is not a transaction requiring disclosure according to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2008 Re: Criteria for making significant transactions that are considered to be acquiring or disposing of assets.

8. It was resolved to the change of the new logo of the company as follows:

Old	New

Please be informed accordingly,

Sincerely yours,

-Samart Chuasiriphattana-

(Mr. Samart Chuasiriphattana)

Director and Chief Executive Officer

**Information Memorandum of Health Empire Corporation Public Company Limited on an Acquisition of Assets regarding the Acquisition of Ordinary Shares in Health Up Company Limited**

The Board of Directors Meeting No. 5/2022 of Health Empire Corporation Public Company Limited (the “Company”) held on June 3, 2022 has passed the resolution to approve the acquisition and acceptance of the shares in Health Up Company Limited (“HUG”) in the amount of 1,000,000 shares at the par value of THB 100 per shares representing 40 percent of total registered and paid-up shares in HUG from TF Wealth Company Limited (the “Seller of HUG Shares”) (Fourson Group Enterprise Co., Ltd (“FGE”) holds shares in the Seller of HUG Shares in the proportion of 99.997 percent of the total registered and paid-up capital of the Seller of HUG Shares provided that currently is on the process of incorporation registration with Department of Business Development Ministry of Commerce and expected to be complete within 6 June, 2022). The total value is not exceeding THB 180,000,000 according to the method and procedure agreed by the parties. The Board also approved the execution of the share purchase agreement, and other arrangements, contracts and documents relating to the acquisition and acceptance of shares in HUG (the “Share Purchase Transaction of HUG”). The Company will pay for the shares in HUG with the following details:

- (1) The Company will pay for the consideration in cash for THB 90,000,000.
- (2) The Company will pay for the consideration by issuance of newly issued ordinary shares of the Company by the way of a private placement offering as payment in kind instead of cash in the amount of not exceeding 11,250,000 shares at a par value of THB 1.00 per share, with the offering price of THB 8 per share, totalling THB 90,000,000 to the Seller of HUG Shares as payment in kind for the acquisition and acceptance of the ordinary shares in HUG from the Seller of HUG Shares, representing 3.07 % of all issued and paid-up shares of the Company (based on all issued and paid-up shares of the Company after the execution of share allocation in consideration of the Share Purchase Transaction of HUG)

The shares allocation transaction in consideration for the purchase of the ordinary shares in HUG to the Seller of HUG Shares, which is not a connected person of the Company, constitutes an offering of newly issued ordinary shares by way of private placement. The Shareholders’ Meeting of the Company shall pass a resolution to specifically determine the offering price at THB 8 per share, which is not lower than 90% of the market price of the Company’s shares pursuant to the requirements of the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Permission for Listed Companies to Offer Newly Issued Shares to Specific Investors dated October 28, 2015 (as amended) (the “Notification No. TorJor. 72/2558”). In this regard, the “market price” refers to the weighted average price of the Company’s shares listed on the SET for the past period of at least 7 consecutive business days, but not exceeding 15 consecutive business days prior to the date the Board of Directors passed its

resolution to propose this matter to the Shareholders' Meeting of the Company to approve the capital increase and the allocation of new shares, whereby the weighted average price of the Company's shares calculated for the past 7 consecutive business days during the period from May 25, 2022 to June 2, 2022 is equal to THB 7.95 per share (Source: SETSMART from [www.setsmart.com](http://www.setsmart.com)). The Company's newly issued ordinary shares shall be used as payment in kind for the acquisition and acceptance of HUG's shares from the Seller of HU Shares (the "Transaction involving the Share Allocation in Consideration of an Acquisition of Shares in HUG").

The Share Purchase Transaction of HUG is regarded as an acquisition of assets pursuant to the Notification of the Capital Markets Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated August 31, 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 Acquisition and Disposition of Assets B. E. 2547 (2004) dated October 29, 2004 (as amended) (the "Notifications on Acquisition and Disposition of Assets"). Upon calculation of the transaction size based on total value of consideration compared to net tangible assets value of the Company according to the reviewed quarterly financial statements of the Company ended March 31, 2022 the transaction value is equal to 12.68%. Upon combination of the Company's transactions involving the acquisition of assets over the past six months which is 11.01%, the highest value of the transaction is equal to 23.69% based on the total value of consideration criteria. The transaction is regarded as a type 2 (the transaction between the listed company and non-listed person which is equal to 15% or higher, but lower than 50%) pursuant to the Notifications on Acquisition or Disposition of Assets. Therefore, the Company is required to immediately report and disclose an information memorandum on such transaction to the SET, which must at least contain the information as required in List (1) attached to the Notifications on Acquisition or Disposal of Assets, and give notice to the shareholders within 21 days from the date of such disclosure to the SET, which must at least contain the information as required in Lists (2) 1, 2, 3, 5(3), 7 and 8 attached to the Notifications on Acquisition or Disposal Assets.

Therefore, the Company would like to disclose the details of the acquisition of assets regarding the Acquisition of Ordinary Shares in HUG, with the details as follows:

**1. Date of the Transaction**

The acquisition of shares shall occur upon the conditions that (i) the Company obtains an approval for the Transaction involving the Share Allocation in Consideration of an Acquisition of Shares in HUG from the Extraordinary General Meeting of Shareholders No. 1/2022 which will be held on August 9, 2022, (ii) the Securities and Exchange Commission (the "SEC Office") grants an approval to the Company to offer the newly issued shares to the private placement investor, namely the Seller of HUG Shares, as payment in kind for shares instead of cash,

and (iii) after the completion of the conditions precedent under the share purchase agreement have been completed or has been waived by the relevant parties and the obligations under the shares purchase agreement have been taken to complete the transaction. The significant conditions precedent and terms appear in Clause 9 of this Imitation Memorandum. [The Company expects that the entire sale and purchase process will be complete within August 2022.](#)

## 2. Parties involved and their relationship with the Company

**Purchaser** : Health Empire Corporation Public Company Limited

**Seller** : TF Wealth Company Limited (the “**Seller of HUG’s Shares**”), which holds the shares in HUG representing 40 percent of the total shares.

(FGE holds shares in the Seller of HUG Shares in the proportion of 99.97 percent of the total registered and paid-up capital of the Seller of HUG Shares provided that currently is on the process of incorporation registration with Department of Business Development Ministry of Commerce and expected to be completed within 6 June, 2022)

**Relationship with the Company** : Not a connected person of the Company according to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions, dated August 31, 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 B.E. 2546 (2003), dated November 19, 2003 (as amended) (the “**Notifications on Connected Transactions**”) since the Seller of HUG Shares is not a major shareholder, a person who will be nominated as a controller including related persons of such persons of the Company.

## 3. General Description and Size of the Transaction

### 3.1 General Description

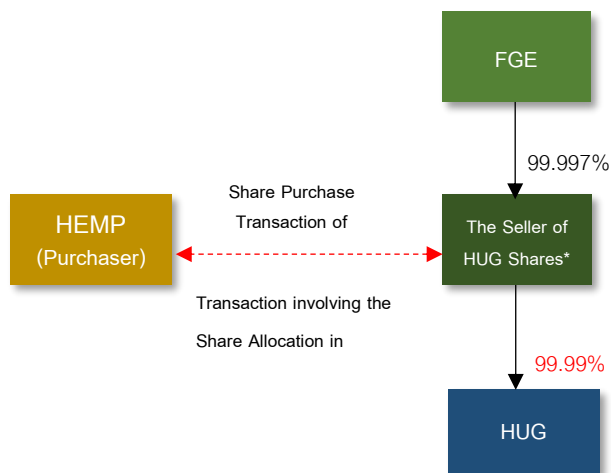
The Company shall enter into the share purchase agreement in relation to HUG in order to purchase 1,000,000 shares in HUG at a par value of THB 100 per share, representing 40 percent of total registered



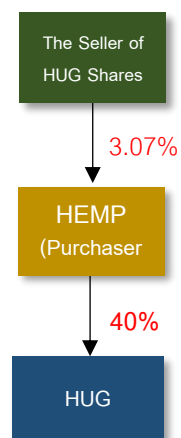
and paid-up shares in HUG from the Seller of HUG Shares at the total value of not exceeding THB 180,000,000 according to the method and procedure agreed by the parties, including the execution of other arrangements, contracts and documents relating to such investment. The Company shall pay for such HUG's shares in the form of (1) cash in the amount of THB 90,000,000 and (2) the issuance of newly issued ordinary shares of the Company in the amount of not exceeding 11,250,000 shares at a par value of THB 1.00 per share by the way of a private placement at the offering price of THB 8 per share. The Company is of the view that such price shall secure to the best interests of the shareholders upon consideration of HUG's value and the current value of the Company's shares and such offering price is not lower than 90% of the market price pursuant to the requirements of the Notification No. TorJor. 72/2558. In this regard, the "market price" refers to the weighted average price of the Company's shares listed on the SET for the past period of at least 7 consecutive business days, but not exceeding 15 consecutive business days prior to the date the Board of Directors passed its resolution to propose this matter to the Shareholders' Meeting of the Company to approve the capital increase and the allocation of new shares, whereby the weighted average price of the Company's shares calculated for the past 7 consecutive business days during the period from May 25, 2022 to June 2, 2022 is equal to THB 7.95 per share (Source: SETSMART from [www.setsmart.com](http://www.setsmart.com)) as payment in kind instead of cash.

The offering of the Company's newly issued ordinary shares by way of private placement on this occasion constitutes a private placement of newly issued ordinary shares, whereby the Company's Board of Directors specifically determines the offering price to be proposed to the Shareholders' Meeting. Thus, the Shareholders' Meeting shall approve the offering price of newly issued ordinary shares at THB 8 per share. In addition to an approval for an offering of newly issued ordinary shares from the Shareholders' Meeting by way of private placement, the Company must also obtain permission from the SEC Office to offer the newly issued ordinary shares by way of private placement pursuant to the Notification No. TorJor. 72/2558.

Shareholding structure prior the transaction



Shareholding structure after the transaction



Remark: FGE holds shares in the Seller of HUG Shares in the proportion of 99.997 percent of the total registered and paid-up capital of the Seller of HUG Shares provided that currently is on the process of incorporation registration with Department of Business Development Ministry of Commerce and expected to complete within 6 June, 2022

In this regard, after the issuance and allocation of the newly issued ordinary shares of the Company, the Seller of HUG Shares shall hold the shares in the Company (after the increase of the registered paid-up shares of the Company) in the proportion of 3.07 of all issued and paid-up shares of the Company after the increase of the registered paid-up shares of the Company. Therefore, the Seller of HUG Shares does not hold the number of shares that reaches or passes the trigger point requiring such 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 dated May 13, 2011 (and as amended) (“**Notification TorJor. 12/2554**”) 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.

### 3.2 Type and Size of the Transaction

Details of the calculation of the transaction size under the Notifications on Acquisition or Disposition of Assets is as follows:

Principle	Formula	Calculation (Million Baht)	Transaction size (percent)
1. Value of the Net Tangible Assets (NTA)	$\frac{\text{NTA of acquired assets} \times \text{acquired proportion}}{\text{NTA of the Company}} \times 100$	This method cannot be calculated because NTA of HUG is negative	
2. Net operating profits	$\frac{\text{Net profits of acquired assets} \times \text{acquired proportion}}{\text{Net profits of the Company}} \times 100$	This method cannot be calculated because the Company has a loss in the accounting period of the past 12 months from the date March 31, 2022.	
3. Total value of consideration paid or received <sup>1/</sup>	$\frac{\text{Total consideration} \times 100}{\text{Total asset of the Company}}$	$\frac{180 \times 100}{1,419.53}$	12.68%
4. Value of securities issued for the payment of assets	$\frac{\text{Number of newly issued shares to pay for asset} \times 100}{\text{Number of issued shares and paid up of the Company}}$	$\frac{11,250,000 \times 100}{355,699,500}$	3.16%

\*Calculation of net tangible assets (NTA) of the Company as of March 31, 2022 is as follows:

Financial Information of the Company	The Company As of March 31, 2022	HUG As of December 31, 2021
Asset	1,419.53	122.44
Deduct: Intangible assets	1,073.84	0.00
Deduct : Total liabilities	220.20	127.02
Deduct : Non-controlling interests	(3.63)	0.00
Net tangible assets (NTA)	129.12	(4.58)
Net profit (loss) (last 12 months)	(77.74)	(0.39)

Upon calculation of the transaction size based on total value of consideration compared to net tangible assets value of the Company according to the reviewed quarterly financial statements of the Company ended March 31, 2022 the transaction value is equal to 12.68%. Upon combination of the Company's transactions involving the acquisition of assets over the past six months which is 11.01%, the highest value of the transaction is equal to 23.69% based on the total value of consideration criteria. The transaction is regarded as a type 2 (the transaction between the listed company and non-listed person which is equal to 15% or higher, but lower than 50%) pursuant to the Notifications on Acquisition or Disposition of Assets. Therefore, the Company is required to immediately report and disclose an information memorandum on such transaction by the Company to the SET, which must at least contain the information as required in List (1) attached to the Notifications on Acquisition or Disposal of Assets, and give notice to the shareholders within 21 days from the date of such disclosure to the SET, which must at least contain the information as required in Lists (2) 1, 2, 3, 5(3), 7 and 8 attached to the Notifications on Acquisition or Disposal Assets.

#### 4 Details of acquired assets

##### 4.1 General Information of HUG are summarized as follows:

Company's name	Health Up Company Limited
Business type	Pharmacy and medical supplies store under the names "Health Up" "Drug Place" and "Super Safe"
Address	15/2 Soi Udomsuk 9 Bang Na Nuea Sub-district, Bang Na District, Bangkok
Registration No.	0105551108766
Registration Date	September 24, 2008
Registered Capital	THB 250,000,000*
Issued and Paid-up Capital	THB 70,000,000*

\* On May 31, 2022, HUG increased its registered capital from THB 10,000,000 to THB 250,000,000, divided into 2,500,000 shares with a par value of THB 100.

## 4.2 List of the shareholders of HUG as of June 3, 2022

No.	Name-Surname	Present		Prior to the transaction		After the transaction	
		Amount of Shares	Percentage	Amount of Shares	Percentage	Amount of Shares	Percentage
1	Mrs. Somjai Srirungtham	1,250,000	50	50,000	2	50,000	2
2	Mr. Watchara Plengsuree	250,000	10	1,250,000	50	1,250,000	50
3	Mr. Wanatphon Plengsuree	250,000	10	50,000	2	50,000	2
4	Mr. Dolawat Plengsuree	250,000	10	50,000	2	50,000	2
5	Mr. Phalapatara Plengsuree	250,000	10	50,000	2	50,000	2
6	Mr. Natchanon Plengsuree	250,000	10	50,000	2	50,000	2
7	Miss Phatchareeporn Phiraphattanaphong	-	-	1,000,000	40	-	-
	Health Empire Corporation Public Company Limited	-	-	-	-	1,000,000	40
Total		2,500,000	100	2,500,000	100	2,500,000	100

## 4.3 The list of directors of HUG

No.	Present	No.	After the transaction
1	Mrs. Kanokporn Suchada	1	Mr. Watchara Plengsuree
2	Mr. Phalapatara Plengsuree	2	Mr. Wanatphon Plengsuree
3	Mr. Wanatphon Plengsuree	3	Mrs. Somjai Srirungtham Plengsuree
		4	Mr. Samart Chuasiriphattana*
		5	Mr. Sitthichai Gasornsombat*

Remark: Mr. Samart Chuasiriphattana and Mr. Sitthichai Gasornsombat is the director of the Company.

## 4.4 Financial Information of HUG

Financial Statement (Unit : THB)	31 DEC 2019	31 DEC 2020	31 DEC 2021
Cash and cash equivalents	809,986.05	7,660,237.35	12,918,585.79
Trade and other receivables	1,979,001.20	2,931,925.78	8,843,811.17
Inventories	82,289,034.54	69,614,185.19	73,684,383.71

Financial Statement (Unit : THB)	31 DEC 2019	31 DEC 2020	31 DEC 2021
Other current assets	4,754,720.60	5,324,430.46	8,782,198.55
Net Land and building and equipment	6,380,888.08	4,589,110.66	5,745,483.03
Other current assets	9,066,197.25	8,623,800.66	8,756,404.88
<b>Total assets</b>	<b>105,279,827.72</b>	<b>98,743,690.10</b>	<b>122,442,970.13</b>
Bank overdrafts and short-term loans from financial institutions	5,679,900.35	1,000,000.00	1,000,000.00
Accounts Payable and Other Receivables	81,560,542.50	64,893,432.53	70,432,860.06
Long-term loans from related parties	11,450,000.00	34,813,297.00	54,028,628.00
<b>Total liabilities</b>	<b>102,100,911.79</b>	<b>102,930,500.64</b>	<b>127,019,971.88</b>
Issued and fully paid-up capital	10,000,000.00	10,000,000.00	10,000,000.00
Accumulated Profit (loss)	(6,821,084.07)	(14,186,810.54)	(14,577,001.75)
Total shareholders' equity	3,178,915.93	(4,186,810.54)	(4,577,001.75)
<b>Total Liabilities and shareholders' equity</b>	<b>105,279,827.72</b>	<b>98,743,690.10</b>	<b>122,422,970.13</b>

Income Statement (Unit : THB)	31 DEC 2019	31 DEC 2020	31 DEC 2021
Sale Revenue	233,268,830.80	193,452,683.92	212,140,483.79
Other Revenue	34,359,415.62	28,599,712.22	42,843,435.95
<b>Total Revenue</b>	<b>267,628,246.42</b>	<b>222,052,396.14</b>	<b>254,983,919.74</b>
cost of sales	175,112,170.19	150,842,438.57	180,226,634.09
Selling and Service Expenses	92,097,561.49	78,290,687.36	74,711,373.14
Interest expense	524,937.72	284,996.68	436,103.74
Income tax	245,816.47	-	-
<b>Net profit</b>	<b>(352,239.45)</b>	<b>(7,365,726.47)</b>	<b>(390,191.21)</b>

#### 4.5 General Information of TF Wealth Company Limited (the "Seller of HUG Shares")

Company's name	TF Wealth Company Limited
Business type	Operate business by investing in HUG in the amount of 1,000,000 shares with a par value of THB 100 per share, or representing 40 percent of the total shares of HUG.
Address	in the process of incorporation registration

<b>Registration No.</b>	In the process of incorporation registration with the Department of Business Development Ministry of Commerce which is expected to be completed within 6 June, 2022
<b>Registered capital</b>	THB 10,000,000, expected to increase its registered capital to be THB 100,000,000 within August 2022
<b>Director</b>	<ol style="list-style-type: none"> <li>1. Mrs. Somjai Srirungtham</li> <li>2. Mr. Wanatphon Plengsuree</li> <li>3. Mr. Phalapatara Plengsuree</li> </ol>

Seller of HUG Shares is set up for the accommodation of Share Purchase Transaction of HUG. Upon the completion of the share purchase transaction, the Seller of HUG Shares shall proceed with registration of its dissolution accordingly. After such dissolution registration and during the liquidation of Seller of HUG Shares, all existing assets at such time of Seller of HUG Shares shall be transferred back to the Seller of HUG Shares shareholders and/or those whose names are listed as Seller of HUG Shares shareholders as of the date of the liquidation completion in proportion to their shareholding percentages. Therefore, during the liquidation of Seller of HUG Shares, the Company's newly issued ordinary shares issued and allocated to Seller of HUG Shares as payment for the Share Purchase Transaction of HUG shall be transferred back to the Seller of HUG Shares shareholders and/or those whose names are listed as Seller of HUG Shares shareholders as of the date of the liquidation completion in proportion to their shareholding percentages.

#### 4.6 List of the shareholders

No.	Name-Surname	Amount of Shares	Percentage
1	Fourson Group Enterprise Co., Ltd.	99,997	99.997
2	Mrs. Somjai Srirungtham	1	0.001
3	Mr. Wanatphon Plengsuree	1	0.001
4	Mr. Phalapatara Plengsuree	1	0.001
	<b>Total</b>	<b>100,000</b>	<b>100</b>

General information of Fourson Group Enterprise Co., Ltd. ("FGE")

FGE is a Thai juristic person by registered under Thai law with details as follows:

Company's name	Fourson Group Enterprise Co., Ltd. ("FGE")
Address	2 Soi Udomsuk 6, Bang Na Nuea Sub-district, Bang Na District, Bangkok
Registration No.	0105564029991
Registration Date	February 18, 2021
Registered capital	THB 20,000,000
Business type	Holding business and investing in other juristic persons <a href="#">which engaging in the business of real estate, health and beauty</a>
Director	<ol style="list-style-type: none"> <li>1. Mr. Wanatphon Plengsuree</li> <li>2. Mr. Dolawat Plengsuree</li> <li>3. Mr. Natchanon PlengsureePlengsuree</li> <li>4. Mr. Phalapatara Plengsuree</li> </ol>
Relationship with the Company, Director, Executive, major shareholders of the Company	-none-

List of Shareholders of FGE

No.	Name-Surname	Amount of Shares	Percentage
1	Mr. Watchara Plengsuree	60,000	30
2	Mrs. Somjai Srirungtham	60,000	30
3	Mr. Wanatphon Plengsuree	20,000	10
4	Mr. Dolawat PlengsureePlengsuree	20,000	10
5	Mr. Natchanon PlengsureePlengsuree	20,000	10
6	Mr. Phalapatara Plengsuree	20,000	10
	<b>Total</b>	<b>200,000</b>	<b>100</b>

4.7 Nature of Business



The Seller of HUG Shares operates the business of holding company which holds shares in HUG.

#### **4.8 Financial Information of the Seller of HUG Shares**

Due to the Seller of HUG Shares is in the process of incorporation, therefore there is no financial statement and financial information available for the Seller of HUG Shares and the Seller of HUG Shares shall merely have shares in HUG in the amount of 1,000,000 shares at a par value of THB 100 per share or representing 40 percent of total shares in HUG.

#### **5 Total Value of Consideration and Payment Term**

The total value of consideration for the Share Purchase Transaction of HUG paid by the Company to the Seller of HUG Shares is in the amount not exceeding THB 180,000,000 for the purchase of shares in HUG in the amount of 40 percent of total shares in HUG. The Company will pay for the consideration of HUG's shares by (1) cash in the amount of THB 90,000,000 and (2) issuing the newly issued ordinary shares of the Company by the way of the private placement as payment in kind instead of cash payment in the amount of not exceeding 11,250,000 shares at a par value of THB 1.00 per share, with the offering price of THB 8 per share, totalling THB 90,000,000. The determining the value of consideration of Company's ordinary shares at the offering price of THB 8 is based on the weighted average price of the Company's shares calculated for the past 7 consecutive business days during the period from May 25, 2022 to June 2, 2022 is equal to THB 7.95 per share (Source: SETSMART from [www.setsmart.com](http://www.setsmart.com)) and based on the value negotiated between the Company and the Seller of HUG Shares.

In this regard, the Company has considered the value of the consideration compared with the acquired asset and deemed that the value of the consideration is valuable and reasonable compared with the HUG's business and income potential including the nature of HUG's business operations which will facilitate to promote, support, and increase efficiency and broaden the scope of the Company's business to cover and meet the needs of customers, which will benefit the shareholders and the Company the most.

#### **6 Total Value of Consideration Criteria Used to Determine Value**

The criteria used to determine the value of consideration is the value that is negotiated between the Company and the Seller of HUG Shares by compared the enterprise value in the proportion of 40 percent of total enterprise value from the financial projection for the acquisition of HUG's shares which conducted by executive analysing the investment by discounted cash flow approach method upon [the internal financial statements of HUG and financial forecast as of December 31, 2021 together with the capital increase from THB 10 million to be THB 250 million before the Company entering into the transaction and the expected average sales revenue](#)

approximately THB 2,000 million per year during 2022-2026, which has value per a 40 percent of acquisition proportion of THB 203.46 Million. The details of the assumptions used in the valuation are given in the summary table below:

Key Assumptions	Details
Sales Revenue	<p>The assumptions used to estimate sales revenue are based on 3 sales channels including retail sales, online sales and wholesale sales, according to the internal financial statements, executive interviews, and other historical data obtained from HUG for the projection period of 5 years from 2022 to 2026.</p> <p><u>Retail and online sales channels</u></p> <p>The revenue from retail and online sales channels is estimated based on the historical data of the average price of each product group in the last 3 years with a sales growth rate of approximately 10.00 percent per year, calculated based on the rate of branch expansion and additional investment in telepharmacy as informed by the executive.</p> <p><u>Wholesale sales channels</u></p> <p>Based on the facts provided by the executive, the revenue from wholesale sales channel for 2022 is projected to reach THB 1,200 million with a sales growth rate of approximately 20.00 percent over the forecast period, in line with the historical data which show a growth rate of 194.93 and 195.38 percent in 2020 and 2021, respectively and also in line with the plan to expand warehouses in the future.</p>
Other Revenue	An average of 8.41 percent of sales revenue for retail and online sales, calculated based on the revenue generated from sales by suppliers in the past.
Cost of Goods Sold	<p><u>Retail and online sales channels</u></p> <p>The cost of goods sold for retail and online sales channels is projected based on the historical data of gross profit margin of each product group for the last 3 years.</p> <p><u>Wholesale sales channels</u></p> <p>The cost of goods sold for wholesale sales channel is projected based on the historical data of gross profit margin of wholesale sales channels for the last 3 years.</p>
Selling, General and Administrative Expenses	The selling, general and administrative expenses are forecasted based on the historical data of expense categories such as employee-related expenses which

Key Assumptions	Details
	have a growth rate of 5.00 percent per year, branch-related expenses which have a growth rate of 10.00 percent per year, sales-related expenses which vary in proportion to revenue, and other expenses which remain constant over the forecast period.
Investment Budget	The investment budget is based on the estimated investment budget approved by the executive.
Depreciation	The depreciation of fixed assets of the Company is projected to remain constant over the forecast period. The depreciation of additional investment shall be calculated using a straight line basis with a useful life of 10 years.
Corporate Income Tax	20.00 percent
Discount Rate	<p>The discount rate used to calculate the net present value of cash flows is calculated using the Weighted Average Cost of Capital: WACC based on the capital structure of projects in each year which is estimated using cost of debt (Kd) and cost of equity (Ke) of projects in each year where:</p> <p><u>Risk Free Rate (Rf)</u> is based on the rate of return on the 15-year government bond which is the bond that has liquidity. The rate of return is 2.82 percent per year (information as of 9 March 2022).</p> <p><u>Market Return (Rm)</u> is based on the rate of return on investment in the Stock Exchange of Thailand for the previous 15 years. The rate of return is 10.96 percent per year (information as of 9 March 2022).</p> <p><u>Beta (<math>\beta</math>)</u> is based on the historical data of the calculation of the variance of the returns of the Stock Exchange of Thailand and the average returns of the listed companies in the sector of manufacturing and distributing products such as drugs, supplements, cosmetics, medical devices including IP, MEGA, APCO, DOD, BEAUTY and TM for the last 3 years. The average Unlevered Beta is 0.76 as HUG has a debt to equity ratio of 0.00, thus the calculation of Levered Beta is not required.</p> <p><u>Liquidity Discount</u> As HUG is not a listed company, the liquidity discount of shares is 30.00 percent. The Weighted Average Cost of Capital: WACC is 11.71 percent.</p>
Terminal Value	determine the rate of cash flow growth after the forecast period equal to 0.00 percent
Return On Equity	15 percent (Average 5 years according to the projected period)

According to the valuation of enterprise value of HUG as of December 31, 2021, it was found that the current enterprise value of HUG is equal to THB 508.65 Million, with a value according to the acquisition proportion at 40.00 percent, equal to THB 203.46 million.

Upon the consideration of the offering price of the newly issued shares of the Company to the Seller of HUG Shares at THB 8 in this occasion compared to the weighted average price of the Company's shares calculated for the past 7 consecutive business days during the period from May 25, 2022 to June 2, 2022 which is equal to THB 7.95 per share (Source: SETSMART from [www.setsmart.com](http://www.setsmart.com)), the aforementioned offering price is, therefore, not lower than 90% of the market price of the Company's shares pursuant to Notification No. TorJor. 72/2558.

**7 Expected Benefits to the Company**

- (1) The Company anticipates growth opportunities in the pharmacy and medical supplies store which has a potential to grow continuously. The entry in to the Share Purchase Transaction of HUG shall be beneficial to the Company in expanding the scope of the Company's business to be more diversified and to increase capacity and return for the Company in expanding investments into the pharmaceutical and medical supplies business, a business in which the Company sees potential and growth opportunities that will be able to generate income and good returns for the Company.
- (2) The investment in HUG shall encourage Company's growth strategy for business expansion which can extend to the Company's Healthcare & Wellness businesses by expanding the business of selling pharmaceuticals and medical supplies and increasing distribution channels for various products, enabling the Company to operate a more comprehensive business from the production and distribution of herbal products and herbal extracts including marijuana - hemp for medical-commercial proposes including consumer and service businesses such as health and beauty centers. This will increase the Company's future ability to generate income and profit.
- (3) HUG has a large customer base, branches and partners who can support or advise to the Company on its business operations. This may have a positive impact on the Company in terms of expanding business opportunities of the Company, as well as being helpful in introducing partners who are beneficial to the Company's business. The investment will also help to improve the effectiveness of the Company's operations and expand the Company's business operations.

- (4) The company does not have to rely on the Company's cash flow or its working capital, and does not need to seek the source of large fund for investing in HUG shares as the Company will issue and allocate newly issued ordinary shares of the Company in the amount of not exceeding 11,250,000 shares at a par value of THB 1 per share at the offering price of THB 8 per share, or equivalent to not exceeding THB 90,000,000 by the way of Private Placement as payment in kind for the acquisition of shares of HUG instead of cash to the Seller of HUG Shares. Therefore, this is the investment management of the Company which will not significantly affect the working capital of the Company, and does not create a burden for the Company to borrow a lot of money from financial institutions or any other person.

**8 Source of Funds / Financial plan of the proceeds from the sale**

In entering this transaction, the Company will pay the consideration of the Share Purchase Transaction of HUG to the Seller of HUG shares in the total amount of not exceeding THB 180,000,000 as follows:

- (1) in cash in the amount of THB 90,000,000.
- (2) Issuing the newly issued ordinary shares of the Company by the way of a private placement offering as payment in kind instead of cash in the amount of not exceeding 11,250,000 shares with the offering price of THB 8 per share, totalling THB 90,000,000.

**9 Conditions in entering the transaction**

The significant conditions precedent is summarized below.

- (1) The Board of Directors of the Company shall resolve to approve the execution of the Share Purchase Transaction of HUG;
- (2) The Board of Directors' meeting and the Shareholders' meeting of the Company the execution of the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in HUG including approval on various matters necessary for and/or in connection with such transactions;
- (3) as of the date of acquisition of HUG's ordinary shares, there shall be no event or action having occurred or caused to occur or reasonably believed to be likely to occur, which may give rise to any material and adverse impact on HUG or jeopardize the execution of the Share Purchase Transaction of HUG and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in HUG;

- (4) SEC Office shall have approved the private placement of the newly issued ordinary shares to the Seller of HUG shares by way of private placement;
- (5) the Board of Directors' meeting and Shareholders' meeting of the Seller of HUG Shares shall resolve to approve the increase of HUG's registered capital in the amount of THB 240,000,000 consisting of 2,400,000 shares at the par value of THB 100 per shares. After the increase of HUG's registered capital, HUG has the registered capital of THB 250,000,000 divided into 2,500,000 shares at the par value of THB 100 per shares;
- (6) the Board of Directors' meeting and Shareholders' meeting of the Seller of HUG Shares shall resolve to approve the disposal of the ordinary shares in HUG to the Company including the execution of the share purchase agreement, and other arrangements, contracts and documents relating to the Share Purchase Transaction of HUG and the Transaction involving the Share Allocation in Consideration of an Acquisition of Shares in HUG and also any arrangement to complete the the Share Purchase Transaction of HUG and the Transaction involving the Share Allocation in Consideration of an Acquisition of Shares in HUG.

#### 10 **Opinion of the Board of Directors on entering into the transaction**

The Company's Board of Directors' Meeting, in which the directors who have interests and/or are connected persons were absent, resolved to approve the execution of this transaction as it opined that the Share Purchase Transaction of HUG with the cash payment and by way of payment in kind with its newly issued ordinary shares is worth the investment because it is an investment that is consistent with the Company's business plan to expand its operations and can also build on the Company's existing operations, such as the sale of pharmaceuticals and medical supplies and also increasing distribution channels for the Company's products in order to increase revenue and has the potential to expand in the future In the long run, this will benefit both the Company and its shareholders.

In light of the foregoing, the Board of Directors is of the opinion that the Share Purchase Transaction of HUG by pay the consideration in chase and newly issued shares of the Company is appropriate and will provide the best benefits to the Company's shareholders. Moreover, the value of the transaction is a worthwhile investment and is reasonable which the price negotiated between the Company and the Seller of HUG Shares and the offering price of the newly issued shares of the Company offered to the Seller of HUG Shares at THB 8, or totalling THB 90,000,000 compared to the market price of the Company's shares is appropriate and not lower than 90% of the market price of the Company's shares pursuant to Notification No. TorJor. 72/2558.

11 Opinion of the Audit Committee and/or directors which differs from the opinion of the Board of Directors

-None-

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

Please be informed accordingly

Sincerely yours,

*-Mr. Samart Chuasiriphattana-*

*-Mr. Sittichai Gasornsombat-*

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( Mr. Samart Chuasiriphattana )

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(Mr. Sittichai Gasornsombat )

Authorized Director

Authorized Director

**Information Memorandum on Offering and Allocation of Newly Issued Ordinary Shares of Health Empire Corporation Public Company Limited by way of Private Placement and to reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2)**

The Board of Directors' Meeting No.5/2022 of Health Empire Corporation Public Company Limited (the "Company"), which was held on June 3, 2022, resolved to propose that the Shareholders' Meeting consider and approve an increase of the Company's registered capital by THB 49,366,750 from the current registered capital of THB 533,549,250 to be THB 582,916,000 by issuing 49,366,750 newly issued ordinary shares at a par value of THB 1 per share to (1) offer by way of private placement in the amount not exceeding 11,250,000 shares as a payment for acquisition of shares transaction of Health Up Company Limited ("HUG") instead of cash payment from TF Wealth Company Limited (the "Seller of HUG Shares") (In this regard, Fourson Group Enterprise Co., Ltd. holding shares in the seller of HUG shares representing 99.997 percent of the registered and paid-up shares of the seller of HUG shares. However, it is in the process of registration with the Department of Business Development, Ministry of Commerce and is expected to be completed by June 6, 2022); (2) accommodate the exercise of the warrants to purchase ordinary shares of the Company Series 2 (HEMP-W2) not exceeding 2,546,800 shares; and (3) offer by the means of General Mandate for offering by the way of the Private Placement in the amount not exceeding 35,569,950 shares.

The details of the allocation of the Company's newly issued shares are as follows:

1. The Board of Directors' meeting had resolved to propose the Shareholders' Meeting to consider and approve the allocation of newly issued ordinary shares not exceeding 11,250,000 shares with a par value of THB 1.00 per share at the offering price of THB 8 per share which the total amount of THB 90,000,000 by way of private placement to the Seller of HUG Shares as payment for acquisition of shares transaction of HUG in the amount of 1,000,000 shares with a par value of THB 100 per share (representing 40% of HUG's registered and paid-up shares) to pay for the Company's newly issued ordinary shares instead of cash payment.

2. The Board of Directors' meeting had resolved to propose the Shareholders' Meeting to consider and approve the allocation of newly issued ordinary shares not exceeding 2,546,800 shares at a par value of THB 1 per share to reserve for the right adjustment of the warrants to purchase the ordinary shares of the Company Series 2 (HEMP-W2) (the "Terms and Conditions") which shall be adjusted. The adjustment of the exercise price and exercise ratio shall effective immediately from the first date of the offering to the private placement. In this regard, the Company shall inform the adjusted exercise price and exercise ration of the Warrants to Purchase the Ordinary Shares of the Company Limited Series 2 (HEMP-W2) at the latest before 9:00 a.m. on the date the effective date of the right adjustment.



3. The Board of Directors' meeting had resolved to propose the Shareholders' Meeting to consider and approve the allocation of newly issued ordinary shares by the means of General Mandate in the amount of not exceeding 35,569,950 shares at a par value of THB 1 per share for offering by the way of the Private Placement.

Therefore, the Company prepared the information regarding the allocation of the newly issued shares to the private placement investors, which is important to the decision of the shareholders, with the following details:

1. **Details of Offering of Newly Issued Ordinary Shares by way of Private Placement, Determination of Offering Price and Market Price**

1.1. **Offering and Allocation Procedures**

The Company shall allocate not exceeding 11,250,000 newly issued ordinary shares at a par value of THB 1.00 per share by way of private placement to the Seller of HUG Shares at the offering price of THB 8 per share or a total value of THB 90,000,000 as consideration for the purchase of HUG shares to the Seller of HUG Shares. The Seller of HUG Shares shall pay the purchase price with 1,000,000 shares at a par value of THB 100 per share which is fully paid up or representing 40 percent of all issued and paid-up shares of HUG to pay for the Company's newly issued ordinary shares instead of cash payment (the "Transaction involving the Share Allocation in Consideration of an Acquisition of Shares in HUG").

In this regard, the Transaction involving the Share Allocation in Consideration of an Acquisition of Shares in HUG to the Seller of HUG Shares which is not the connected person with the Company constitutes a private placement of newly issued ordinary shares, whereby the Shareholders' Meeting has resolved clearly determine the offering price at THB 8 per share, which is not lower than 90 percent of the market price of the Company's shares as required by the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Permission for Listed Companies to Offer Newly Issued Shares to Specific Investors dated October 28, 2015 (as amended) (the "Notification No. TorJor. 72/2558") and must be approved by the Shareholders' Meeting of the Company with affirmative votes of not less than three-fourths of the total number of votes of the shareholders who attend the meeting and are entitled to vote. In addition, not only the approval from the Shareholders' meeting to allow the Company to offer and allocate the newly issued ordinary shares of the Company, the Company also required to obtain approval from the Securities and Exchange Commission Office (the "SEC Office") as specified in the Notification No. TorJor. 72/2558 before such offering and allocation of the Company's newly issued ordinary shares.

In this regard, the "market price" for the issuance the newly issued ordinary shares to the Seller of HUG Shares is calculated from the weighted average price of the Company's shares listed on the Stock Exchange of Thailand (the "SET") for the past period of 7 consecutive business days prior to the date the Board of Directors

passed its resolution to propose this matter to the Shareholders' meeting to approve the issuance and allocation of the newly issued ordinary shares to the Seller of HUG Shares which is a private placement which during the period from May 25, 2022 to June 2, 2022 is equal to THB 7.95 per share (Source: SETSMART from www.setsmart.com).

Moreover, if the offering price of the newly issued ordinary shares to the Seller of HUG Shares is lower than 90 percent of the market price of the Company's shares before the first day of offering of the newly issued ordinary shares, the Company is obliged to prohibit the Seller of HUG Shares from selling all of such newly issued ordinary shares within one year from the date on which the Company's newly issued ordinary shares start trading on the SET (Silent Period). Upon a lapse of six months after the Company's newly issued ordinary shares have started trading on the SET, the Seller of HUG Shares may gradually sell up to 25 percent of such locked-up shares in accordance with the requirements set out in the Notification of the SET Re: Rules, Conditions and Procedures for Consideration of Application for Listing of Ordinary Shares or Preferred Shares for Capital Increase as Listed Securities B.E. 2558 (2015) dated May 11, 2015 (as amended).

Even the issuance and offering of the newly issued ordinary shares to the Seller of HUG Shares in this occasion has the offering price which is not lower than 90 percent of the market price of the ordinary of the Company as detailed above and not considered as the cause of right adjustment as specified in terms and conditions governing the rights and obligations of the issuer and holders of the warrants to purchase the ordinary shares of health empire corporation public company limited series 2 (HEMP-W2) due to the Terms and Conditions specified that *"The Company will adjust the exercise price and exercise ratio to purchase ordinary shares throughout the term of the Warrants when the Company offers to sell its newly issued ordinary shares to the existing shareholders and/or the public and/or private placement at the average price per share of the newly-issued ordinary share lower than 90 percent of the "market price of the Company's ordinary shares".* In this regard, "market price of the Company's ordinary shares" means the average weighted price of the Company's ordinary share traded in the SET during 7 consecutive Business Days before the first date of the offering of the newly issued ordinary shares to the private placement.

Therefore, if the offering price at the first date of the offering of the newly issued ordinary shares to the private placement is lower than 90 percent of the market price of the Company's ordinary shares which the right adjustment shall effective immediately from the first date of the offering to the private placement.

In this regard, after the issuance and allocation of the newly issued ordinary shares of the Company, the Seller of HUG Shares shall hold the shares in the Company (after the increase of the registered paid-up shares of the Company) in the proportion of 3.07 of all issued and paid-up shares of the Company after the increase of the registered paid-up shares of the Company. Therefore, the Seller of HUG shares does not hold the number of shares

that reaches or passes the trigger point requiring such 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 (and as amended) (the “**Notification TorJor. 12/2554**”).

The Company expects that the entire sale and purchase process will be complete within August 2022 (subject to the completion of the conditions precedent under the share purchase agreement) and after the Shareholders' Meeting has approved the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in HUG, including approval of matters necessary and/or in connection with the transaction.

In addition, the Board of Directors' Meeting resolved to propose that the Shareholders' Meeting consider approving to authorize the Board of Directors to make any arrangements in relation to the issuance, offering, allocation and subscription for such newly issued ordinary shares, including the following matters:

- (1) To determine, amend, add details relating to the issuance, offering, allocation and subscription for the newly issued ordinary shares, the offering date of the newly issued ordinary shares, list of investor in the private placement , and the payment method for the newly issued ordinary shares (whereby the period of allocation and subscription may be on one or several occasions), including such arrangements relating to the issuance, offering, allocation and subscription for such newly issued ordinary shares, and information filing and disclosure to the SET; and
- (2) To sign, amend, change, contact or report any information in the applications and evidence necessary for and in connection with the issuance, offering, allocation, subscription and delivery of such newly issued ordinary shares, including contact and filing of the applications, documents and evidence with the Ministry of Commerce, the SEC Office, the SET, government agencies, or other relevant authorities, and the listing of the Company's newly issued ordinary shares on the SET, and to have the authority to take any other actions as deemed necessary and appropriate to ensure the successful completion of the Company's issuance, offering and allocation of the newly issued ordinary shares by way of private placement.

According to the Notification No. TorJor. 72/2558, the Company shall complete the offering of shares within the period approved by the shareholders' meeting but not later than 3 months from the date on which the shareholders' meeting resolves to approve the offering of newly issued shares, or the Company must complete the offering of shares within 12 months from the date on which the shareholders' meeting has approved to offering the shares. In the event that the shareholders have clearly resolved that after the expiration of the 3 months' period, the

Board of Directors or the person assigned by the Board of Directors shall determine the offering price according to the market price during the offering period.

Please refer to additional details in the Capital Increase Report Form (F 53-4) (Enclosure 3).

## 1.2 Determination of the Offering Price and Price Justifications

When considering the offering price of the newly issued ordinary shares of the Company to be issued to the Seller of HUG Shares at the offering price of THB 8 per share or totaling THB 90,000,000 compared to the market price of the Company's shares, which is calculated from the weighted average price of the Company's shares traded on the SET not less than 7 consecutive business days prior to the date of the Board of Directors' meeting, that is, from May 25, 2022 to June 2, 2022 is equal to THB 7.95 per share, (Information from SETSMART at www.setsmart.com). The price is not lower than 90% of the market price according to the Notification No. TorJor. 72/2558.

## 1.3 Name and Information of Specific Investor for Offering and Allocation of Newly Issued Ordinary Shares

Name	Number of Allocated Shares (shares)	Offering Price (THB per share)	Total (THB)
TF Wealth Company Limited	Not exceeding 11,250,000 shares	8	90,000,000

General information of TF Wealth Company Limited (the "Seller of HUG Shares")

Company's name	TF Wealth Company Limited
Types of business	Operate business by investing in HUG in the amount of 1,000,000 shares with a par value of THB 100 per share, or representing 40 percent of the total shares of HUG
Address	in the process of incorporation registration
Juristic person registration number	In the process of registration with the Department of Business Development, Ministry of Commerce and is expected to be completed by June 6, 2022)
Registered capital	THB 10,000,000, expected to increase its registered capital to be THB 100,000,000 within August 2022
Director of the company	1. Mrs. Somjai Srirungtham 2. Mr. Wanatphon Plengsuree

	3. Mr. Phalapatara Plengsuree
Relationship with the Company, directors, executives, major shareholders of the Company	None

List of shareholders of TF Wealth Company Limited (the “Seller of HUG Shares”)

	Name of shareholders	Number of shares (shares)	Percentage of the total shares (percent)
1	Fourson Group Enterprise Co., Ltd.	99,997	99.997
2	Mrs. Somjai Srirungtham	1	0.001
3	Mr. Wanatphon Plengsuree	1	0.001
4	Mr. Phalapatara Plengsuree	1	0.001
	<b>Total</b>	<b>100,000</b>	<b>100</b>

General information of Fourson Group Enterprise Co., Ltd. (“FGE”)

FGE is a Thai juristic person by registered under Thai law with details as follows:

Company's name	Fourson Group Enterprise Co., Ltd.
Address	No. 2 Soi Udomsuk 6, Bang Na Nuea Sub-district, Bang Na District, Bangkok
Registration No.	0105564029991
Registration Date	February 18, 2021
Registered capital	THB 20,000,000
Business type	Holding business and investing in other juristic person(s), <a href="#">which engaging in the business of real estate, health and beauty.</a>
Director of the company	<ol style="list-style-type: none"> <li>1. Mr. Wanatphon Plengsuree</li> <li>2. Mr. Dolawat Plengsuree</li> <li>3. Mr. Natchanon Plengsuree</li> <li>4. Mr. Phalapatara Plengsuree</li> </ol>
Relationship with the Company, director, executive, major shareholders of the Company	None

List of Shareholders of FGE

No.	Name-Surname	Amount of Shares	Percentage of the total shares
1	Mr. Watchara Plengsuree	60,000	30
2	Mrs. Somjai Srirungtham	60,000	30
3	Mr. Wanatphon Plengsuree	20,000	10
4	Mr. Dolawat Plengsuree	20,000	10
5	Mr. Natchanon Plengsuree	20,000	10
6	Mr. Phalapatara Plengsuree	20,000	10
	<b>Total</b>	<b>200,000</b>	<b>100</b>

Brief history of each shareholder

<b>Name</b>	Mr. Watchara Plengsuree
<b>Occupation</b>	Business person
<b>Address</b>	No. 198/99 Moo 14, Bang Phli Yai Sub-district, Bang Phli District, Samut Prakan Province
<b>Work experience</b>	<p><u>current business position</u></p> <ul style="list-style-type: none"> <li>● Chairman of the Board of Directors of Neo Group companies Type of business: wholesale and retail of cosmetics which consists of: <ul style="list-style-type: none"> <li>○ Neo Cosmic (Thailand) Co., Ltd.</li> <li>○ Q-Marine (Thailand) Co., Ltd.</li> <li>○ Grand Laurence Co., Ltd.</li> <li>○ Cosmetic Zonc Co., Ltd.</li> <li>○ Healthy Herb Company Limited</li> <li>○ Wellmed Co., Ltd.</li> </ul> </li> <li>● Director of Health Up Company Limited Type of business: chain drug store</li> <li>● Director of Asian Chemical Co., Ltd. Type of business: copper compound factory</li> <li>● Director of Doctor Cosmed Co., Ltd. Type of business: food supplements, cosmetics and herbs factory</li> <li>● Director of Herbal Technology Co., Ltd.</li> </ul>

	Type of business: selling traditional medicinal products herbal products
Number of shares held in the Company	None
Relationship with the Company	Does not operate any business which has same condition and is in any way competitive with the Company's business

Name	Mrs. Somjai Srirungtham
Occupation	Business person
Address	No. 26/56 Moo 7, Racha Thewa Sub-district, Bang Phli District, Samut Prakan Province
Work experience	<p><u>current business position</u></p> <ul style="list-style-type: none"> <li>● Chairman of the Board of Directors Type of business: jewelry retail which consists of: <ul style="list-style-type: none"> <li>○ Aurora Trio Company Limited</li> <li>○ Aurora Perfect Company Limited</li> <li>○ Golden 99 Company Limited</li> </ul> </li> <li>● Managing partner Type of business: real estate rental <ul style="list-style-type: none"> <li>○ Foursons Place Limited Partnership</li> </ul> </li> </ul>
Number of shares held in the Company	None
Relationship with the Company	Does not operate any business which has same condition and is in any way competitive with the Company's business

Name	Mr. Wanatphon Plengsuree
Occupation	Business person
Address	No. 80 Udomsuk Road, Bangna Sub-district, Bang Na District, Bangkok
Work experience	2021 – present      Specialized dentist at You Smile Ladkrabang Clinic

	<p>2021 – present Director and deputy managing director of Health Up Company Limited Type of business: chain drug store</p> <p>2021 – present Director of Fourson Group Enterprise Co., Ltd. Type of business: holding business and investing in other juristic person(s)</p> <p>present Director of Neo Cosmic (Thailand) Co., Ltd. Type of business: wholesale and retail of cosmetics</p> <p>present Director of Cosmetic Zonc Co., Ltd. Type of business: wholesale and retail of cosmetics</p> <p>2015 - 2017 General dentist at Prakhonchai Hospital, Buriram Province</p>
Number of shares held in the Company	None
Relationship with the Company	Does not operate any business which has same condition and is in any way competitive with the Company's business

Name	Mr. Dolawat Plengsuree
Occupation	Business person
Address	No. 198/99 Moo 14, Bang Phli Yai Subdistrict, Bang Phli District, Samut Prakan Province
Work experience	<p>2021 – 2022 General Physician, Loei Hospital</p> <p>2022 – present General Physician, Charoenkrung Pracharak Hospital</p> <p>2021 – present Director of Fourson Group Enterprise Co., Ltd. Type of business: holding business and investing in other juristic person(s)</p> <p>2019 - present Fourson Realstate Company Limited Type of business: consultant for renting hotels, apartments, residences</p>



Number of shares held in the Company	None
Relationship with the Company	Does not operate any business which has same condition and is in any way competitive with the Company's business

Name	Mr. Natchanon Plengsuree										
Occupation	Business person										
Address	No. 198/99 Moo 14, Bang Phli Yai Sub-district, Bang Phli District, Samut Prakan Province										
Work experience	<table border="0"> <tr> <td>2020 – 2021</td> <td>Marketing Analyst - Faire Toscano Type of business: selling leather products</td> </tr> <tr> <td>2020</td> <td>Brand Consultant Intern at Brandaholics Company Limited Type of business: consultant for marketing</td> </tr> <tr> <td>2020</td> <td>Internship Trainee at CP All Public Company Limited Type of business: conducting convenience store</td> </tr> <tr> <td>2021 - present</td> <td>Director of Fourson Group Enterprise Co., Ltd. Type of business: holding business and investing in other juristic person(s)</td> </tr> <tr> <td>2019 - present</td> <td>Fourson Realestate Company Limited Type of business: consultant for renting hotels, apartments, residences</td> </tr> </table>	2020 – 2021	Marketing Analyst - Faire Toscano Type of business: selling leather products	2020	Brand Consultant Intern at Brandaholics Company Limited Type of business: consultant for marketing	2020	Internship Trainee at CP All Public Company Limited Type of business: conducting convenience store	2021 - present	Director of Fourson Group Enterprise Co., Ltd. Type of business: holding business and investing in other juristic person(s)	2019 - present	Fourson Realestate Company Limited Type of business: consultant for renting hotels, apartments, residences
2020 – 2021	Marketing Analyst - Faire Toscano Type of business: selling leather products										
2020	Brand Consultant Intern at Brandaholics Company Limited Type of business: consultant for marketing										
2020	Internship Trainee at CP All Public Company Limited Type of business: conducting convenience store										
2021 - present	Director of Fourson Group Enterprise Co., Ltd. Type of business: holding business and investing in other juristic person(s)										
2019 - present	Fourson Realestate Company Limited Type of business: consultant for renting hotels, apartments, residences										
Number of shares held in the Company	None										
Relationship with the Company	Does not operate any business which has same condition and is in any way competitive with the Company's business										

<b>Name</b>	Mr. Phalapatara Plengsuree
<b>Occupation</b>	Business person
<b>Address</b>	No. 198/99 Moo 14, Bang Phli Yai Sub-district, Bang Phli District, Samut Prakan Province
<b>Work experience</b>	<p>2021 - present      Director of Health Up Company Limited Type of business: chain drug store</p> <p>2021 - present      Director of Fourson Group Enterprise Co., Ltd. Type of business: holding business and investing in other juristic person(s)</p> <p>2021 - present      Director of Q-Marine (Thailand) Co., Ltd. Type of business: wholesale and retail of cosmetics</p> <p>2021 - present      Director of Healthy Herb Company Limited Type of business: wholesale and retail of cosmetics</p> <p>2019 - present      Fourson Realestate Company Limited Type of business: consultant for renting hotels, apartments, residences</p>
<b>Number of shares held in the Company</b>	None
<b>Relationship with the Company</b>	Does not operate any business which has same condition and is in any way competitive with the Company's business

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

The issuance of newly issued shares is for the purpose of used as payment for acquisition and acceptance of shares in HUG, the Company shall acquire 1,000,000 shares of HUG with a par value of THB 100 (or representing 40 percent of HUG's registered and paid-up shares). In this regard, the Company sees an opportunity to grow in the pharmaceutical and medical supply business which is in line with the Company's business plan to expand its business and can be develop on the Company's existing business as well, such as the sale of pharmaceuticals and medical products, increasing of the distribution channels for the company's products, etc., to increase revenue for the company and the potential to improve the Company's business in the future which will benefits to the Company and shareholders in the long run. The Company expects that the entire sale and purchase process will be complete

within August 2022. After the completion of the conditions precedent under the share purchase agreement) and after the Shareholders' Meeting has approved the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in HUG, including approval of matters necessary and/or in connection with the transaction, the Company shall compensate the Seller of HUG Shares as consideration for the share purchase transaction of HUG in from of (1) not exceeding 11,250,000 newly issued ordinary shares of the Company at a par value of THB 1 per share, at an offering price of THB 8 per share, totaling of up to THB 90,000,000 and (2) cash in the total amount of THB 90,000,000.

In this regard, the Company will not receive cash for the issuance of newly issued ordinary shares to the private placement at this occasion. However, the considering of the Company to pay the consideration of the acquisition of shares in HUG by issue the newly issued ordinary shares causes the Company to not use large amount of working capital or borrow from the financial institution, which shall effect the liquidity position of the Company.

**3. Potential Impact on Shareholders from Issuance and Offering of Newly Issued Shares by way of Private Placement**

**3.1 Price Dilution**

$$\begin{aligned} &= \frac{\text{market price before the offering} - \text{market price after the offering}}{\text{market price before the offering}} \\ &= \frac{7.95 - 7.95}{7.95} \\ &= 0.00 \text{ percent} \end{aligned}$$

The market price before offering refers to the weighted average price of the Company's shares listed on the SET for the past period of 7 consecutive business days prior to the date the Board of Directors passed its resolution to propose this matter to the Shareholders' Meeting, which is equal to THB 7.95 per share based on the trading data of the Company's shares as displayed in SETSMART of the SET.

Market Price after the Offering's Formula

$$= \frac{(\text{number of paid-up shares} \times \text{market price before offering}) + (\text{number of newly shares} \times \text{offering price})}{(\text{number of paid-up shares} + \text{number of newly shares})}$$

$$= \frac{(533,549,250 \times 7.95) + (11,250,000 \times 8)}{(533,549,250 + 11,250,000)}$$

$$= \text{THB 7.95 per share}$$

**3.2 Control Dilution**

$$= \frac{\text{number of newly issued shares}}{\text{number of paid-up shares} + \text{number of newly issued shares}}$$

$$= \frac{11,250,000}{533,549,250 + 11,250,000}$$

$$= 3.07 \text{ percent}$$

**3.3 Earnings per Share Dilution**

The Company has net loss from operations. Therefore, there cannot be calculated.

**4. The value that shareholders receive compared to the impact on their share of profits or their voting rights.**

Upon comparison between the benefits from the offering of the newly issued ordinary shares for accommodate the acquisition of shares in HUG and Price Dilution, and Control Dilution as described above, the Board of Directors is of the view that the offering of newly issued ordinary shares to accommodate the acquisition of shares in HUG on this occasion is benefits to shareholders more than such impacts since the acquisition of shares in HUG shall benefits to the Company and its shareholders as follows:

- (1) The Company anticipates growth opportunities in the pharmacy and medical supplies store which has a potential to grow continuously. The entry in to the share purchase transaction of HUG shall be beneficial to the Company in expanding the scope of the Company's business to be more diversified and to increase capacity and return for the Company in expanding investments into the pharmaceutical and medical supplies business, a business in which the Company sees potential and growth opportunities that will be able to generate income and good returns for the Company.

- (2) The investment in HUG shall encourage Company's growth strategy for business expansion which can extend to the Company's Healthcare & Wellness businesses by expanding the business of selling pharmaceuticals and medical supplies and increasing distribution channels for various products, enabling the Company to operate a more comprehensive business from the production and distribution of herbal products and herbal extracts including marijuana - hemp for medical-commercial purposes including consumer and service businesses such as health and beauty centers. This will increase the Company's future ability to generate income and profit.
- (3) HUG has a large customer base, branches and partners who can support or advise to the Company on its business operations. This may have a positive impact on the Company in terms of expanding business opportunities of the Company, as well as being helpful in introducing partners who are beneficial to the Company's business. The investment will also help to improve the effectiveness of the Company's operations and expand the Company's business operations.
- (4) The company does not have to rely on the Company's cash flow or its working capital, and does not need to seek the source of large fund for investing in HUG shares as the Company will issue and allocate newly issued ordinary shares of the Company in the amount of not exceeding 11,250,000 shares at a par value of THB 1 per share at the offering price of THB 8 per share, or equivalent to not exceeding THB 90,000,000 by the way of Private Placement as payment in kind for the acquisition of shares of HUG instead of cash to the Seller of HUG Shares. Therefore, this is the investment management of the Company which will not significantly affect the working capital of the Company, and does not create a burden for the Company to borrow a lot of money from financial institutions or any other person.

However, the Company considers considerations for entering into the transaction since HUG shares are settled by the Company's shares, it creates a dilution effect on the existing shareholders. However, when compared to the value of the acquired assets and the expected benefits as detailed above including financial liquidity for future business operations and returns to shareholders in the future. The company calculates that the return on equity ratio that shareholders will receive from HUG's operations will be approximately 15 percent (average of 5 years according to the projection period). The assumptions used for reference are as follows:

Main assumptions	Details
Revenue from the sale	<p>An assumptions for estimating revenue from the sale can be divided into 3 channels which is retail, online, and wholesale channels. Based on the internal financial statements, management interview, and other historical data obtained from HUG, which has an estimate period of five years, from 2022– 2026.</p> <p><u>Retail and online channel</u></p> <p>An estimated revenue for retail and online channels is based on average price from historical data from the last 3 years for each product group, at the approximate growth rate at 10.00% per year, based on branch expansion rates and the additional investment in Telepharmacy, which were informed by the executive.</p> <p><u>Wholesale channel</u></p> <p>An estimated revenue for retail and online channels is based on actual information from the executive for the year 2022, where an estimated sale value is approximately THB 1,200 million, and has a sale growth rate of approximately 20.00% throughout an estimated period, which is in line with the historical data. The growth rate is at 194.93% and 195.38% in the year 2020 and 2021 respectively, which is also in line with the warehouse expansion plan in the future.</p>
Other income	Based on revenue from sales support by suppliers in the past, has an average rate at 8.41% of revenue from the sale and online channel.
Cost of the sale	<p><u>Retail and online channel</u></p> <p>An estimated cost for retail and online channel is based on gross profit margin from historical data from the last 3 years of each product group.</p>

Main assumptions	Details
	<p><u>Wholesale channel</u></p> <p>An estimated cost for wholesale channel is based on gross profit margin from historical data from the last 3 years of wholesale channel.</p>
Sale and management expenses	<p>Based on historical sale and management expenses data, which is estimated from expenses group such as employee-related expenses which has growth rate of 5.00% per year, branch-related expenses which has growth rate of 10.00% per year, sale expenses which is proportionate to revenue, and other fixed expenses throughout an estimated period.</p>
Investment budget	<p>Based on an estimated investment budget obtained from executive.</p>
Depreciation	<p>An estimated depreciation of former assets is fixed throughout an estimated period. The additional investment depreciation is determined to use straight-line method and having a use period of 10 years.</p>
Corporate income tax	<p>20.00%</p>
Discount rate	<p>The discount rate use for calculating the current net value of the cash flow is calculated from the weighted average cost of capital (WACC) according to the project's capital structure in each year, which was estimated from weighted average cost of debt (Kd) and cost of equity (Ke) of the project in each year whereby:</p> <p><u>Risk Free Rate (Rf)</u> is based on 15 years return rate from the government bond, which is the return from the government bond that has liquidity with has a return rate at 2.82% per year (data as of March 9, 2022)</p> <p><u>Market Return (Rm)</u> is based on the return rate from the investment in the Stock Exchange of Thailand (the "SET") for the last 15 years which has a return rate at 10.96% per year (data as of March 9, 2022)</p>

Main assumptions	Details
	<p><u>Beta (<math>\beta</math>)</u> is based on the variance between the return of the SET with the average return of listed companies in the SET in the pharmaceutical and nutritional supplement, cosmetic, medical device manufacturing and distribution industries i.e. IP, MEGA, APCO, DOD, BEAUTY, and TM, based on the last 3 years historical data until March 9, 2022, therefore, an average unlevered Beta is equivalent to 0.76. HUG has debt to equity ratio equivalent to 0.00, therefore, there cannot be calculated back to leveraged Beta.</p> <p><u>Liquidity Discount</u> HUG is not a registered company in the stock exchange, therefore, HUG has discount rate for lack of stock liquidity at the rate of 30.00%. In summary, HUG has a weighted average cost of capital (WACC) at 11.71%.</p>
Cash flow growth rate after an estimated period (Terminal Value)	Determined the cash flow growth rate after an estimated period at 0.00%
Return On Equity	At the rate of 15% (approximately 5 years, throughout an estimated period)

In this regard, the Company therefore considered that the proceedings for the offering of newly issued ordinary shares are appropriate and will benefit to the shareholders more than the impact on Price Dilution or Control Dilution. This is because, the Company will acquire shares in HUG, which has the potential to grow. Therefore, the offering of the newly issued ordinary shares will build up a good returns for the Company in the long run.

## 5. Opinion of the Board of Directors

### 5.1 Rationale and Necessity for Capital Increase

The Board of Directors of the Company considers that the increase of registered capital of the Company to be used as payment in kind for an acquisition of shares in of HUG whereby the Seller of HUG Shares will use



1,000,000 shares in HUG at a par value of THB 100 per share as payment in kind for the Company's newly issued ordinary shares allocated to them instead of cash payment in this occasion. The Board of Directors has considered and compared with raising funds for the acquisition of HUG's shares by other methods instead of increasing the capital to the sellers of HUG shares as detailed below and deemed that The Company's capital increase as a payment in kind for the purchase of HUG's shares is reasonable and will secure the best benefits for the Company's shareholders.

- (1) Borrowing the whole amount to pay for the acquisition of HUG's ordinary shares may cause the greater financial burden to the Company to have more borrowing and interest burdens. This may result in the Company have higher financial costs;
- (2) Regarding the capital increase by way of the public offering, the Board of Directors is of the opinion that the fundraising by this method requires a longer period than the capital increase by offering to the existing shareholders in shareholding proportion and a limited person; and
- (3) Regarding the capital increase by way of rights offering, the Board of Directors is of the opinion that funding in this way is limited by the uncertainty of the amount of funds that the Company will be received. The Company may not receive a support from the existing shareholders in fully subscribing for the Company's newly issued ordinary shares and it may incur a burden to the existing shareholders to pay the capital increase and have a longer processing time than the capital increase to the private placement.

## **5.2 Feasibility of the Plan for Use of Proceeds and Sufficiency of Source of Funds**

The Company shall use newly issued ordinary shares as payment in kind for the acquisition of shares in HUG to the Seller of HUG Shares. The Company anticipates that the share purchase transaction of HUG could be completed by August 2022 or any other day as mutually agreed between the Company and the Seller of HUG Shares (subject to the fulfillment of the conditions precedent under the share purchase agreement).

## **5.3 Reasonability of the Capital Increase, Plan for Use of Proceeds and Sufficiency of the Source of Fund in case the Money from the Share Offering does not cover the Budget for the Plan**

The Company's capital increase is reasonable and shall be the best beneficial to the Company. Where the Company secures its funds by other means instead of the capital increase, such as, taking out a loan, the Company may incur additional loan burdens. In addition, the investment in HUG shall increase the Company share value and the return rate to the Company's shareholders. This is because HUG will help expand the scope of the company's

business to be more diversified and increase the Company's capacity and performance to expand the investment into the pharmaceutical and medical supplies store business, which is a business that the Company foresees the potential and growth opportunities that can generate good returns to the Company.

#### **5.4 Potential Impact on the Company's Business Operations, Financial Position and Overall Operating Results from the Capital Increase**

After having considered the justifications and benefits from the share purchase transaction of HUG and Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in HUG above, the Board of Directors is of the opinion that the capital increase is reasonable and shall bring the best benefits to the Company, particularly the offering of newly issued ordinary shares at the offering price of THB 8, which is based on the market price, namely the weighted average price of the Company's shares for the previous 7 consecutive business days during the period from May 25, 2022 to June 2, 2022 is equal to THB 7.95 per share (Source: SETSMART from [www.setsmart.com](http://www.setsmart.com)) as payment in kind for the share purchase transaction of HUG which will help enhance the Company's operation and benefit its shareholders in the long run.

##### Potential impact on the Company in the event that the project cannot be completed successfully

Should HUG has a deterioration in earnings or losses in the future, will result in the Company having to bear the lower operating results or the loss of HUG under the Company's financial statements.

#### **5.5 Justifications of the Offering Price and Backgrounds for Determination of the Offering Price**

The Company clearly specified the offering price for newly issued ordinary shares by the way of private placement at THB 8 per share, which is not lower than 90 percent of the weighted average price of the Company's shares calculated for the past 7 consecutive business days prior to the date that the Board of Directors passed its resolution to propose this matter to the Shareholders' Meeting of the Company to approve the increase and the allocation of newly issued ordinary shares by the way of private placement during the period from May 25, 2022 to June 2, 2022 is equal to THB 7.95 per share (Source: SETSMART from [www.setsmart.com](http://www.setsmart.com)).

In this regard, the Board of Directors viewed that the offering price by the way of private placement by determining the offering price above is a reasonable price when compared to the book value of the Company according to the consolidated quarterly financial statements for the Company ended March 31, 2022, which equal to THB 3.38 per share. The Company has taken into account the current condition in which the Company has accumulated losses under the current economic and capital market conditions. In addition, the use of such shares

to pay for the acquisition of shares in HUG, will result in benefit the Company and its shareholders without using the Company's working capital and do not need to find other sources of funding such as bank loans, etc.

In addition, the Board of Directors is of the opinion that the acquisition of shares in HUG, which the Company will purchase from the Seller of HUG Shares at the offering price at THB 8 per share, is appropriate and reasonable price for the Company to pay the Company's shares as compensation for the acquired of HUG's shares purchased from Seller of HUG Shares with the share swap ratio of 1 ordinary share of HUG per 11.25 newly issued ordinary shares of the Company. Upon comparison between the fair value of HUG, the purchase of 1,000,000 shares of HUG from the Seller of HUG shares is equal to THB 180 per share, totaling at the value of THB 180,000,000 by reference to the valuation of the ordinary share of HUG conducted by the executive referenced to the discounted cash flow method, which is the most suitable method and reflects the most profitable and generating future cash flows from HUG's business operations. The fair valuation of HUG's shareholders' equity as at December 31, 2021 is equal to THB 508.65 million, which has the value in accordance with the proportion to the acquisition at 40.00%, equal to THB 203.46 million. Therefore, it is deemed that a fair price of HUG shares trading is reasonable.

When considering the reasons, necessity and benefits that the Company will receive from the issuance and allocation of newly issued ordinary shares for sale to the private placement as mentioned above. The Board of Directors was, therefore, resolved to approve the issuance and allocation of newly issued ordinary shares for sale to the Seller of HUG Shares and is of the opinion that the allocation of the newly issues shares by the way of private placement, the allocation conditions, offering price are appropriate and for the best interest of the shareholders.

#### **5.6 Rationale and Justifications of the Offering of Newly Issued Shares by way of Private Placement**

The Board of Directors is of the opinion that the offering of newly issued shares on this occasion is in consideration of the acquisition of shares in HUG between the Company and the Seller of HUG Shares as a payment in kind without having to pay compensation in cash in full. So, there has no significant impacts on the financial flexibility, and HUG is a company with growth and development potential, which will benefit the Company and its shareholders in the long run.

Moreover, it also reduces the financial burden of the Company if the Company proceeds to seek the source of funds such as, borrowing of loan, it may result in greater financial and interest burden, or if it is the capital increase to the existing shareholders of the Company, it may result uncertainty of the amount receiving from the fund raising and may be a burden on the existing shareholders to pay the capital increase and have a time frame for the operation which is more rigid than the capital increase by way of private placement. Therefore, the Board of Directors is of the opinion that this Private Placement transaction is necessary and reasonable.

6. Certification of the Board of Directors on Capital Increase

For the purposes of capital increase by way of private placement, the Board of Directors has carefully considered and verified the information of the Seller of HUG Shares, whom are a private placement investors. In this regard, Board of Directors is of the opinion that the Seller of HUG Shares have the potential and ability to actually invest. In the event where any director of the Company fails to perform his/her functions with integrity and due care to protect the Company's interests during the course of in this capital increase, and such failure has caused damage to the Company, the shareholders may take legal actions to 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 the event where the failure to perform such functions has caused any directors or persons concerned to gain undue benefits, the shareholders may take legal actions to recover such benefits from the directors on behalf of the Company pursuant to Section 89/18 of the Securities and Exchange Act B.E. 2535 (1992) (as amended).

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

Signature

*-Mr. Samart Chuasiriphattana-*

*-Mr. Sittichai Gasornsombat-*

\_\_\_\_\_  
( Mr. Samart Chuasiriphattana )

\_\_\_\_\_  
( Mr. Sittichai Gasornsombat )

Authorized Director

Authorized Director

**Capital Increase Report Form**  
**Health Empire Corporation Public Company Limited**  
**June 3, 2022**

Health Empire Corporation Public Company Limited (the “Company”) would like to report the resolution of the Board of Directors Meeting No. 5/2022, which was convened on June 3, 2022 regarding the capital increase and allocation of newly issued ordinary shares. The details are as follows;

**1. Capital Increase**

The Board of Directors' meeting had resolved to propose to the Shareholders' Meeting to consider and approve the increase of the registered capital of the Company of THB 49,366,750 from the original registered capital of THB 533,549,250 to the registered capital of THB 582,916,000 by issuing the 49,366,750 newly ordinary shares with a par value of THB 1 per share to (1) offer by the way of private placement in the amount not exceeding 11,250,000 shares (2) reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2) in the amount not exceeding 2,546,800 shares and (3) offer by the means of General Mandate for offering by the way of the Private Placement in the amount not exceeding 35,569,950 shares, as per the following details:

Capital Increase	Type of Shares	Amount of Shares (Shares)	Par Value (THB per share)	Total (THB)
<input checked="" type="checkbox"/> Specific Purpose of Use of Proceeds	Ordinary Shares	not exceeding 13,796,800	1.00	13,796,800
	Preferred Shares	-	-	-
<input checked="" type="checkbox"/> General Mandate	Ordinary Shares	not exceeding 35,569,950	1.00	35,569,950
	Preferred Shares	-	-	-

In case of the capital increase with specific purpose of use of proceeds, complete all of the following items, except item 2.2.

In case of the capital increase with general mandate, complete only items 2.2, 3 and 4

## 2. Allocation of new shares

## 2.1 Specific Purpose of Use of Proceeds

Allocated to	Category of shares	Ratio (Existing : New)	Offering Price (THB/share)	Share Subscription and Payment Date and Time	Notes
TF Wealth Company Limited	not exceeding 11,250,000	-	8	Please see Remarks at the end of the table.	Please see Remarks at the end of the table.
To accommodate the exercise of the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2)	not exceeding 2,546,800	Exercise ratio to purchase ordinary shares (existing): 1 unit of HEMP-W2 warrants entitled to purchase 1 ordinary share of the Company.  Exercise ratio to purchase ordinary shares (new): The Company will inform the new exact exercise ratio upon the date that the Company has issued the newly issued ordinary shares to the private placement	Exercise price (old): THB 15.00 per share  Exercise price (new): THB 15.00 per share  The Company will inform the exact new exercise price upon the date that the company has issued the newly issued ordinary shares to the private placement	Allocated to existing shareholders free of charge  Please consider the remarks at the end of the table.	Please see Remarks at the end of the table.
<b>Total</b>	not exceeding 13,796,800				

Remark

1. The Company's Board of Directors' Meeting has resolved approve an acquisition and acceptance of the ordinary shares in Health Up Company Limited ("HUG") in the amount of 1,000,000 shares at the par value of THB 100 per shares representing 40 percent of total registered and paid-up shares in HUG from TF Wealth Company Limited (the "Seller of HUG Shares") (In this regard, Fourson Group Enterprise Co., Ltd. holding shares in the seller of HUG shares representing 99.997 percent of the registered and paid-up shares of the seller of HUG shares. However, it is in the process of registration with the Department of Business Development, Ministry of Commerce and is expected to be completed by June 6, 2022) at the total value of not exceeding THB 180,000,000 according to the method and procedure agreed by the parties, including the execution of the share purchase agreement, and other arrangements, contracts and documents relating to the acquisition and acceptance of shares in HUG (the "Share Purchase Transaction of HUG"). The Company will pay for the shares in HUG with the following details:

- (1) The Company will pay for the consideration in cash in the amount of THB 90,000,000; and
- (2) The Company will pay for the consideration by issuance of newly issued ordinary shares of the Company by the way of a private placement offering as payment in kind instead of cash in the amount of not exceeding 11,250,000 shares at a par value of THB 1.00 per share, with the offering price of THB 8 per share, totaling THB 90,000,000 to the Seller of HUG Shares as payment in kind for the acquisition and acceptance of the ordinary shares in HUG from the Seller of HUG Shares, representing 3.07 % of all issued and paid-up shares of the Company (based on all issued and paid-up shares of the Company after the execution of share allocation in consideration of the Share Purchase Transaction of HUG)

The shares allocation transaction in consideration for the purchase of the ordinary shares in HUG to the Seller of HUG Shares which is not a connected person of the Company constitutes an offering of newly issued ordinary shares by way of private placement, whereby the Shareholders' Meeting of the Company shall pass a resolution to specifically determine the offering price at THB 8 per share, which is not lower than 90% of the market price of the Company's shares pursuant to the requirements of the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Permission for Listed Companies to Offer Newly Issued Shares to Specific Investors dated October 28, 2015 (as amended) (the "Notification No. TorJor. 72/2558"). In this regard, the "market price" refers to the weighted average price of the Company's shares listed on the SET for the past period of at least 7 consecutive business days, but not exceeding 15 consecutive business days prior to the date the Board of Directors passed its resolution to propose this matter to the Shareholders' Meeting of the Company to approve the capital increase and the allocation of new shares, whereby the weighted average price of the Company's shares calculated for the past 7 consecutive business days during the period from May 25, 2022 to June 2, 2022 is equal to THB 7.95 per share (Source: SETSMART from www.setsmart.com). The Company's newly issued ordinary shares shall be used as payment in kind for the acquisition and acceptance of HUG's shares from the Seller of HUG Shares (the "Transaction involving the Share Allocation in Consideration of an Acquisition of Shares in HUG").

The Share Purchase Transaction of HUG is regarded as an acquisition of assets pursuant to the Notification of the Capital Markets Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated August 31, 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 Acquisition and Disposition of Assets B. E.

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2547 (2004) dated October 29, 2004 (as amended) (the “**Notifications on Acquisition and Disposition of Assets**”). Upon calculation of the transaction size based on total value of consideration compared to net tangible assets value of the Company according to the reviewed quarterly financial statements of the Company ended March 31, 2022 the transaction value is equal to 12.68%. Upon combination of the Company’s transactions involving the acquisition of assets over the past six months which is 11.01%, the highest value of the transaction is equal to 23.69% based on the total value of consideration criteria. The transaction is regarded as a type 2 (the transaction between the listed company and non-listed person which is equal to 15% or higher, but lower than 50%) pursuant to the Notifications on Acquisition or Disposition of Assets. Therefore, the Company is required to immediately report and disclose an information memorandum on such transaction by the Company to the SET, which must at least contain the information as required in List (1) attached to the Notifications on Acquisition or Disposal of Assets, and give notice to the shareholders within 21 days from the date of such disclosure to the SET, which must at least contain the information as required in Lists (2) 1, 2, 3, 5(3), 7 and 8 attached to the Notifications on Acquisition or Disposal Assets.

Please refer to the details of the Share Purchase Transaction of HUG in Information Memorandum of Health Empire Corporation Public Company Limited on an Acquisition of Assets regarding the Acquisition of Ordinary Shares in Health Up Company Limited (**Enclosure 1**) and Information Memorandum on Offering and Allocation of Newly Issued Ordinary Shares of Health Empire Corporation Public Company Limited by way of Private Placement (**Enclosure 2**).

However, the Share Purchase Transaction of HUG and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in HUG shall proceed only after the conditions precedent as specified in the Shares Purchase Agreement between the Company and the Seller of HUG Shares (the “**Shares Purchase Agreement**”), have been fulfilled or waived. The significant conditions precedent is summarized below.

- (1) The Board of Directors of the Company shall resolve to approve the execution of the Share Purchase Transaction of HUG;
- (2) The Board of Directors’ meeting and the Shareholders’ meeting of the Company the execution of the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in HUG including approval on various matters necessary for and/or in connection with such transactions;
- (3) as of the date of acquisition of HUG’s ordinary shares, there shall be no event or action having occurred or caused to occur or reasonably believed to be likely to occur, which may give rise to any material and adverse impact on HUG or jeopardize the execution of the Share Purchase Transaction of HUG and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in HUG;
- (4) SEC Office shall have approved the private placement of the newly issued ordinary shares to the Seller of HUG shares by way of private placement;
- (5) the Board of Directors’ meeting and Shareholders’ meeting of the Seller of HUG Shares shall resolve to approve the increase of HUG’s registered capital in the amount of THB 240,000,000 consisting of 2,400,000 shares at the par value



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of THB 100 per shares. After the increase of HUG's registered capital, HUG has the registered capital of THB 250,000,000 consisting of 2,500,000 shares at the par value of THB 100 per shares;

- (6) the Board of Directors' meeting and Shareholders' meeting of the Seller of HUG Shares shall resolve to approve the disposal of the ordinary shares in HUG to the Company including the execution of the share purchase agreement, and other arrangements, contracts and documents relating to the Share Purchase Transaction of HUG and the Transaction involving the Share Allocation in Consideration of an Acquisition of Shares in HUG and also any arrangement to complete the the Share Purchase Transaction of HUG and the Transaction involving the Share Allocation in Consideration of an Acquisition of Shares in HUG.

In this regard, the meeting of the Board of Directors has resolved to approve the authorization of the Board of Directors to make any arrangements in connection with or necessary for the execution of the Share Purchase Transaction of HUG and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in HUG including to negotiate, enter into, sign and amend the shares purchase agreement, and other arrangements, contracts and documents necessary and relating to the Share Purchase Transaction of HUG and to set out rules, conditions and other details necessary for and in connection with the Share Purchase Transaction of HUG as necessary and appropriate under the applicable laws.

2. the Board of Directors' meeting has resolved to propose that the Shareholders' meeting to consider and approve an increase of the Company's registered capital by THB 49,366,750 from the current registered capital of THB 533,549,250 to be THB 582,916,000 by issuing not exceeding 49,366,750 newly issued ordinary share at a par value of THB 1 per share to (1) offer by the way of private placement in the amount not exceeding 11,250,000 shares (2) reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2) in the amount not exceeding 2,546,800 shares and (3) offer by the means of General Mandate for offering by the way of the Private Placement in the amount not exceeding 35,569,950 shares and approve an amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase of the Company's registered capital.
3. the Board of Directors' meeting has resolved to propose that the Shareholders' meeting to consider and approve the issuance and allocation of not exceeding 49,366,750 newly issued ordinary shares of the Company at a par value of THB 1 per share to (1) offer by the way of private placement in the amount not exceeding 11,250,000 shares (2) reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2) in the amount not exceeding 2,546,800 shares and (3) offer by the means of General Mandate for offering by the way of the Private Placement in the amount not exceeding 35,569,950 shares. The details of which are as flows:
  - 3.1 It was resolved to propose that the Shareholders' meeting to consider and approve the allocation of the newly issued ordinary shares in the amount not exceeding 11,250,000 shares at a par value of THB 1.00 per share with the offering price of THB 8 per share, totaling of THB 90,000,000 to offer to the Seller of HUG Shares by the way of Private Placement as payment in kind for the Share Purchase Transaction of HUG. In this regard, the Seller of HUG Shares shall pay the purchase price with 1,000,000 ordinary shares of HUG at a par value of THB 100 per share (or representing 40 percent of total registered and paid-up shares in HUG) instead of cash payment for the Company newly issued shares.

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The issuance and allocation of newly issued ordinary shares in consideration of the acquisition of shares in HUG to the Seller of HUG Shares as aforementioned above constitutes a private placement of newly issued ordinary shares constitutes an offering of newly issued ordinary shares by way of private placement, whereby the Shareholders' Meeting of the Company shall pass a resolution to specifically determine the offering price at THB 8 per share, which is not lower than 90% of the market price of the Company's shares pursuant to the Notification No. TorJor. 72/2558. The transaction must be approved by the Shareholders' Meeting of the Company with affirmative votes of not less than three-fourths of the total number of votes of the shareholders who attend the meeting and are entitled to vote. In addition, not only the approval from the Shareholders' meeting to allow the Company to offer and allocate the newly issued ordinary shares of the Company, the Company also required to obtain approval from the SEC Office as specified in the Notification No. TorJor. 72/2558 before such offering and allocation of the Company's newly issued ordinary shares.

Even the issuance and offering of the newly issued ordinary shares to the Seller of HUG Shares in this occasion has the offering price which is not lower than 90 percent of the market price of the ordinary of the Company as detailed above and not considered as the cause of right adjustment as specified in terms and conditions governing the rights and obligations of the issuer and holders of the warrants to purchase the ordinary shares of health empire corporation public company limited series 2 (HEMP-W2) (the "**Terms and Conditions**"), however the meeting of the Board of Directors deemed it appropriate to propose that the Shareholders' meeting to consider and approve the capital increase to reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2) due to the Terms and Conditions specified that "*The Company will adjust the exercise price and exercise ratio to purchase ordinary shares throughout the term of the Warrants when the Company offers to sell its newly issued ordinary shares to the existing shareholders and/or the public and/or private placement at the average price per share of the newly-issued ordinary share lower than 90 percent of the "market price of the Company's ordinary shares"*". In this regard, "market price of the Company's ordinary shares" means the average weighted price of the Company's ordinary share traded in the SET during 7 consecutive Business Days before the first date of the offering of the newly issued ordinary shares to the private placement.

Therefore, if the offering price at the first date of the offering of the newly issued ordinary shares to the private placement is lower than 90 percent of the market price of the Company's ordinary shares which the right adjustment shall effective immediately from the first date of the offering to the private placement.

Please refer to details of the opinion of the Board of Directors and issuance, offer and allocation of the Company's newly issued ordinary shares in the Information Memorandum on Offering and Allocation of Newly Issued Ordinary Shares of Health Empire Corporation Public Company Limited by way of Private Placement and to reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2) (Enclosure 2)

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- 3.2 it was resolved to propose that the Shareholders' meeting to consider and approve the allocation of the newly issued shares in the amount not exceeding 2,546,800 shares at a par value of THB 1 per share to reserve for the right adjustment of the Warrants to Purchase the Ordinary Shares of the Company Limited Series 2 (HEMP-W2) which shall be adjusted. The adjustment of the exercise price and exercise ratio shall effective immediately from the first date of the offering to the private placement. In this regard, the Company shall inform the adjusted exercise price and exercise ration of the Warrants to Purchase the Ordinary Shares of the Company Limited Series 2 (HEMP-W2) at the latest before 9:00 a.m. on the date the effective date of the right adjustment.
- 3.3 It was resolved to propose that the Shareholders' meeting to consider and approve the allocation of the newly issued shares by the means of General Mandate in the amount not exceeding 35,569,950 shares at a par value of THB1 per share for offering by the way of the Private Placement.

In this regard, the offering price to the private placement shall be the best price based on the market value at the time of offering to the investor for the best interest of the Company and the shareholders, provided that the offering price shall not be the lower price under the price criteria regulation of the SEC and the SET which shall not lower than any one of the following price criteria: (a) the weighted average price of the Company's shares trading in the stock exchange market for not less than 7 consecutive business days, but not more than 15 consecutive business days prior to the date on which the offering price is determined, and the discount must not exceed 10 percent of such price or (b) the price through the process of opening for the investor to present their intention to purchase the newly ordinary shares of the Company at the desired price (Book Building) which was investigated by the securities company pursuant to the criteria prescribed under the Notification No. TorJor. 72/2558.

In addition, the allocation of the shares as above must not result in any investors to hold shares of the Company in the number that reaches or passes the trigger point requiring such 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.

Moreover, the Board of Directors has resolved to propose to the Shareholders' Meeting to consider authorizing the Board of Directors or the Executive Committee or Chief Executive Officer or the person authorized by the Board of Directors or the Executive Committee or Chief Executive Officer to consider and proceed with any matters necessary for, relating to the issuance, offering, allocation, and the newly issued shares subscription which are included the proceeding as follows:

- (1) To determine the objective, date and time of the offering, an offering price for issuing and offering the newly ordinary shares, details, and any conditions in connection with the issuance, allocation, and subscription of the newly issued ordinary shares including to sing in any documents and any relevant agreements, including any executions which are necessary and appropriate connected to the issuing and offering of the newly issued ordinary shares in this occasion, and including to list the newly issued ordinary shares on Market for Alternative Investment (mai).

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In this regard, the offering price by the way of the private placement shall not be lower than the price as prescribed in the market price of SEC and the SET regulations including the issuance and the allocation of newly issued shares shall be in accordance with the regulation of the SEC.

- (2) To consider the offering newly shares of the Company whether for the shares to be made in a single or multiple offering and will offer to any person or the group of the people at one time, including to determine the date and time, and offering price and the details and any related conditions with the allocation of such newly issued shares.

However, after the offering of newly ordinary shares by the way of the private placement by means of the General Mandate, the additional paid-up capital of the Company shall not be exceeding 10 percent of paid-up registered capital at the date of the Board of Directors has the resolution to approve of the capital increase in the means of the General Mandate. The allocation of the newly issued ordinary shares shall be completed within the date on which the Company holds the next Annual General Meeting of Shareholders or within the date on which the laws require the Company to hold its next Annual General Meeting of Shareholders, whichever is earlier.

**2.2 The Company's plan in case where there is a fraction of shares remaining**

The newly issued shares offered to the Seller of HUG Shares are the whole offering. Therefore, there is no case where there is a fraction of the share. However, in the event that there is a fraction of the shares from the allotment to accommodate the adjustment of the Warrants to Purchase the Ordinary Shares of the Company Limited Series 2 (HEMP-W2), the Company will discard the fraction of such shares.

**3. Schedule for the Shareholders' Meeting for Approval of the Capital Increase and New Share Allocation**

The schedule the Extraordinary General Meeting of the Shareholders No.1/2022 to be held on August 9, 2022 at 8.30 a.m. via electronic means (e-AGM) in accordance with Emergency Decree on Electronic Meetings, B.E. 2563 (2020) whereby:

- The share register shall be closed to suspend any share transfer for the right to attend the Shareholders' Meeting from ..... until the Shareholders' Meeting is adjourned.
- The record date to determine the list of shareholders entitled to attend the Shareholders Meeting shall be June 23, 2022 (Record date)

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4. **Approval for Capital Increase/New Share Allocation from Relevant Authorities and Conditions of Such Approval (if any)**
  - 4.1 Shareholders' Meeting of the Company considers and approves the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in HUG, including approval for various matters necessary for and/or in connection with such transactions;
  - 4.2 This capital increase shall be approved by the Shareholders' Meeting with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote;
  - 4.3 The Company shall obtain approval from the Securities and Exchange Commission for the offering of the newly issued ordinary shares by way of private placement as required by Notification No. TorJor. 72/2558 before proceeding with such offering and allocation of the Company's newly issued ordinary shares to the Seller of HUG as payment for the acquisition and acceptance of shares in HUG;
  - 4.4 The Company shall apply for registration of the registered capital increase and the change of its paid-up capital of the Company and the amendment of the Memorandum of Association with the Department of Business Department, Ministry of Commerce; and
  - 4.5 The Company shall apply for approval from the SET for listing of the newly issued ordinary shares as listed securities on the SET.
5. **Purpose of the Capital Increase and utilize the capital in the addition part**
  - 5.1 the allocation of newly issued shares by the way of private placement whereby the Shareholders' Meeting of the Company shall pass a resolution to specifically determine the offering price.

The Company shall issue the newly issued ordinary shares in the amount not exceeding 11,250,000 shares at a par value of THB 1 per share with the offering price of THB 8 per share, totaling of THB 90,000,000 to offer to the Seller of HUG Shares by the way of Private Placement as payment in kind for the Share Purchase Transaction of HUG. In this regard, the Seller of HUG Shares shall pay the purchase price with 1,000,000 ordinary shares of HUG at a par value of THB 100 per share (or representing 40 percent of total registered and paid-up shares in HUG) instead of cash payment for the Company newly issued shares.

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- 5.2 to reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Limited Series 2 (HEMP-W2)

To reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Limited Series 2 (HEMP-W2) due to the Terms and Conditions specified that "The Company will adjust the exercise price and exercise ratio to purchase ordinary shares throughout the term of the Warrants when the Company offers to sell its newly issued ordinary shares to the existing shareholders and/or the public and/or private placement at the average price per share of the newly-issued ordinary share lower than 90 percent of the "market price of the Company's ordinary shares". In this regard, "market price of the Company's ordinary shares" means the average weighted price of the Company's ordinary share traded in the SET during 7 consecutive Business Days before the first date of the offering of the newly issued ordinary shares to the private placement.

Therefore, if the offering price at the first date of the offering of the newly issued ordinary shares to the private placement is lower than 90 percent of the market price of the Company's ordinary shares which the right adjustment shall effective immediately from the first date of the offering to the private placement. In this regard, the Company shall inform the adjusted exercise price and exercise ration of the Warrants to Purchase the Ordinary Shares of the Company Limited Series 2 (HEMP-W2) at the latest before 9:00 a.m. on the date the effective date of the right adjustment.

- 5.3 to offer by the means of General Mandate offering by the way of the Private Placement.

In order to improve fundraising flexibility and speed in the event that more funding is required by the Company as well as has an available source of fund for the investment and business expanding in a timely manner, the Board of Directors shall consider to approve the allocation of newly issued shares, objective, and capital proceeding as well other details of this part of capital increase and the Company shall disclose the information in accordance with the SET's regulations.

**6. Expected Benefits to the Company from the Capital Increase/New Share Allocation**

The Capital increase by issuing and allocate to the Seller of HUG Shares as the payment in king for the HUG's shares shall provide the Company a source of fund to acquie the ordinary shres of HUG from the Seller of HUG Shares without affecting the significant financial position and the financial cost burden of the Company. In addition, the Company does not have to borrow money from financial institutions in full or obtaining a source of funds by other means. If the Company becomes a shareholder in HUG by purchasing

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shares from the Seller of HUG Shares who has been allocated with the Company's newly-issued ordinary shares this time, it will support the business operation which will benefit the Company and its shareholders.

**7. Expected Benefits to the Shareholders from the Capital Increase/New Share Allocation**

7.1 If the Company becomes a shareholder in HUG by purchasing shares from the Seller of HUG Shares who has been allocated with the Company's newly-issued ordinary shares this time, the stock value and rate of return for the Company's shareholders will increase because HUG will help expand the scope of the Company's business to be more diversified in order to generate good returns for the Company. This will be beneficial to both the company and its shareholders.

7.2 After the Seller of HUG Shares has been allocated with the new ordinary shares this time and has been registered as a shareholder of the Company. The Seller of HUG Shares will be entitled to receive dividends when the Company declares dividends to the existing shareholders of the Company in accordance with the dividend policy of the Company.

The Company has a policy to pay dividends to the shareholders at the rate of 40 percent of net profit after deducting all kinds of reserves as prescribed in the Articles of Association and by law if there is no other necessity and the dividend payment shall in no way affect the Company's operations in material aspects. The Board of Directors' meeting shall propose the dividend payment to the Shareholders' Meeting for approval, except interim dividend, which the Board of Directors is empowered to approve such interim dividend payment, and then report the same to the next Shareholders' Meeting.

**8. Other Details Essential for the Shareholders' Decision on Approval of the Capital Increase/New Share Allocation**

Please consider Information Memorandum of Health Empire Corporation Public Company Limited on an Acquisition of Assets regarding the Acquisition of Ordinary Shares in Health Up Company Limited (Enclosure 1) and Information Memorandum on Offering and Allocation of Newly Issued Ordinary Shares of Health Empire Corporation Public Company Limited by way of Private Placement and to reserve for the right adjustment for exercise the right under the Warrants to Purchase the Ordinary Shares of the Company Series 2 (HEMP-W2) (Enclosure 2) as reported to the SET.

9. The schedule of actions in the event that the Board of Directors Resolution to increase the capital / allot new shares.

No.	Procedures	Tentative Date
1	Date of the Board of Directors' Meeting of the Company No. 4/2022	June 3, 2022
2	Disclose the resolution of Board of Directors' Meetings No. 5/2022	June 6, 2022
3	Determine the names of shareholders who have the right to attend the Extraordinary General Meeting of Shareholders No. 1/2022	June 23, 2022
4	The Extraordinary General Meeting of Shareholders No. 1/2022	August 9, 2022
5	The Company registers its registered capital increase with the Ministry of Commerce	Within 14 days from the date of the resolution of the Shareholders' Meeting
6	The Company offers newly issued ordinary shares to seller in HUG for paying compensation for the purchase of ordinary shares in HUG	Within 3 months from the date of the resolution of the Shareholders' Meeting or within 12 months from the date of the resolution of the Shareholders' Meeting to approve the share offering in the event where it is clearly specified by resolution of the Shareholders' Meeting that upon a lapse of such 3 months, the Board of Directors



No.	Procedures	Tentative Date
		or the person authorized by the Board of Directors shall determine the offering price based on the market price during the offering period.
7	The Company registers the change of the paid-up capital with the Ministry of Commerce	Within 14 days from the date of the Company's receipt of payments for the newly issued ordinary shares
8	The allocation of newly ordinary shares in the means of the General Mandate	As the Board of Directors Meeting has approved the matters.

The Company certifies that the information in this report is accurate and complete in all respects

Sincerely yours,

*-Mr. Samart Chuasiriphattana-*

*-Mr. Sittichai Gasornsombat-*

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( Mr. Samart Chuasiriphattana )

\_\_\_\_\_  
( Mr. Sittichai Gasornsombat )

Authorized Director

Authorized Director