

**Information Memorandum on the Issuance, Offering, and Allocation of Newly Issued
Ordinary Shares of PROEN Corp Public Company Limited.**

During the Board of Directors' meeting of PROEN Corp Public Company Limited (the "**Company**") No. 3/2024 held on May 9, 2024, a resolution was passed to propose to the Extraordinary General Meeting of Shareholders No. 1/2024, scheduled for June 12, 2024, to approve the increase in the registered capital of the Company. The proposed increase is from the current registered capital of 173,159,380.50 THB to a registered capital of 432,898,451.00 THB, through the issuance of additional ordinary shares not exceeding 519,478,141 shares, to accommodate (1) the allocation of newly ordinary shares to existing shareholders proportionate to their respective shareholding (Rights Offering) and (2) the exercise of the warrants to purchase ordinary shares of the Company No. 2 (the "**PROEN-W2 Warrants**").

1. Details of the newly issued shares.

- 1.1 The increase in the registered capital of the Company amount 259,739,070.50 THB from the original registered capital of 173,159,380.50 THB, resulting in a total new registered capital of 432,898,451.00 THB. by issue additional ordinary shares not exceeding 519,478,141 shares, with a par value of 0.50 THB per share. Additionally, there will be supplementary amending to the Company's Memorandum of Association Clause 4 to be in line with the Company's registered capital increase.
- 1.2 The allocation of newly issued ordinary shares of the Company not exceed 346,318,761 shares, with a par value of 0.50 THB per share, to be offered to existing shareholders in proportion to their shareholdings (Rights Offering) at a ratio of 1 new ordinary share for 1 existing ordinary share. The total shares allocated for this purpose shall be 346,318,761 shares, offered at 1.00 THB per share, with a total value not exceeding 346,318,761 THB. The Company has set the dates for share subscription reservation from July 8-12, 2024 (5 business days), with the Record Date for shareholders entitled to subscribe for the newly issued ordinary shares based on their shareholding proportion (Record Date) set on June 19, 2024. In the event that there are remaining ordinary shares after the initial allocation to existing shareholders in the first round, the Company shall allocate the remaining shares to shareholders who wish to subscribe for newly issued ordinary shares in excess of their proportional shareholding, at the same price per share. The Company shall continue to allocate the remaining shares until there are no more unallocated ordinary shares or until there is no longer any interest from shareholders to subscribe for newly issued ordinary shares. If there are remaining shares from the exercise of subscription rights for additional capital by existing shareholders in this round, the Company shall approval for a reduction of the Company's registered capital at the next shareholders' meeting.

It is noted that the offering and sale of newly issued ordinary shares to existing shareholders remain subject to uncertainty until approve by the Company's shareholders' meeting.

1.3 Allocation of newly issued ordinary shares not exceeding 173,159,380 shares, with a par value of 0.50 THB per share, is designated to accommodate the exercise of rights under the PROEN-W2 Warrant Certificate. These shares are to be allocated to existing shareholders of the Company in proportion to their shareholding, at a ratio of 4 existing ordinary shares per 1 unit of PROEN-W2 Warrant Certificate, without consideration of monetary value. It is noted that the PROEN-W2 Warrant Certificate has a validity period of 2 years from the issuance date, and the exercise ratio of the PROEN-W2 Warrant Certificate is 1 unit of PROEN-W2 Warrant Certificate grants the right to purchase 1 ordinary share of the Company for 1.00 THB per share (unless otherwise adjusted according to the conditions specified in the terms and conditions regarding the rights and obligations of the issuer of the PROEN-W2 Warrant Certificate). In the event of fractional shares resulting from the calculation of the issuance and allocation of the PROEN-W2 Warrant Certificate to existing shareholders, the fractions shall be disregarded and rounded down for the benefit of the existing shareholders.

2. Objective of the capital increase and fund utilization plan.

The company aims to increase its capital for investment in the construction of a data center and a new office (OTT DC) and to repay convertible preferred shares to strengthen the financial position of the company. This initiative will result in an appropriate capital structure or financial ratio for the company. Furthermore, it will serve as working capital to ensure the company has sufficient funds to support its current and future operations effectively.

Objectives and plans	Amount (million baht)	Period
The Capital increase for existing shareholders of the company in proportion to their shareholding. (Right Offering)		
- In the event that shareholders exercise their rights to subscribe for additional shares in full, it is anticipated that the company will receive 346 million baht		
1. Investment funds for construction of Data Center buildings and new office (OTT DC)	200 - 250	2024-2025
2. Repay the loan	100	2025
3. Working capital of the company and its subsidiaries	The remainder from objectives1 and 2.	2024-2025
the issuance of PROEN-W2 warrants		
- In the event that shareholders exercise their rights to convert the issuance of PROEN-W2 warrants in full, it is anticipated that the company will receive 173 million baht.		
1. Used to increase flexibility in financial cost management of the company, including being utilized as working capital.	173	2026-2027

3. The impact on the existing shareholders from the issuance and offering of newly issued ordinary shares to the existing shareholders (Right Offering).

3.1 Effect on the shareholding proportion of shareholders (Control Dilution)

If the shareholders who are entitled to subscribe to the newly issued ordinary shares of the Company which are offered to the existing shareholders according to their shareholding proportion (RO) have exercised their rights to subscribe to the newly issued ordinary shares in full, there shall be no effects on the voting rights of Company's shareholders (Control Dilution). Nevertheless, in case the shareholders who are entitled to be allocated with the newly issued ordinary shares of the Company which are offered to the existing shareholders according to their shareholding proportion (RO) do not exercise rights to subscribe for newly issued ordinary shares and other shareholders oversubscribe the newly issued shares until there are no shares left from the allocation, there shall be an effect on the voting rights of the Company's shareholders (Control Dilution) at maximum, as detailed per below.

$$= \frac{\text{No. of shares reserved for RO}}{(\text{No. of paid-up shares} + \text{No. of shares reserved for RO.})}$$

$$= \frac{346,318,761 \text{ shares}}{346,318,761 \text{ shares} + 346,318,761 \text{ shares}}$$

$$= 50.00\%$$

3.2 Effect on the price of the share (Price Dilution)

If shareholders who have the right to subscribe for additional ordinary shares are offered for sale to the existing shareholders of the company according to the shareholding proportion (Rights Offering), exercise the right to purchase the entire amount of the said newly issued ordinary shares. It will have the highest impact on the market price of the stock, as follows:

	(Market price prior to Rights Offering (RO))	-	Market price after Rights Offering (RO))
	Market price prior to Rights Offering (RO)		
=	(1.8951	-	1.4475)
	1.8951		
=	23.62 %		

$$\begin{aligned}
 & \text{Considering the market price post-rights offering (RO)} \\
 & = \frac{[(\text{Market price} \times \text{the number of shares paid}) + (\text{The Rights Offering (RO) subscription price} \times \text{the number of shares eligible for RO.})]}{(\text{The original number of shares paid} + \text{the number of shares eligible for RO})} \\
 & = \frac{[(1.8951 \times 346,318,761) + (1 \times 346,318,761)]}{(346,318,761 + 346,318,761)} \\
 & = 1.4475 \text{ THB}
 \end{aligned}$$

Remark: The market price is equal to the weighted average market price of the company for the preceding 15 consecutive trading days before the Company Board of Directors Meeting No.3/2024 held on May 9, 2024 (between April 11, 2024 - May 8, 2024). (This data is obtained from SETSMART, the Stock Exchange of Thailand's platform.) The value is 1.8951 THB.

3.3 Effects on earning per shares (Earnings per Share Dilution)

If shareholders who have the right to subscribe for additional ordinary shares are offered for sale to the existing shareholders of the company according to the shareholding proportion (Rights Offering), exercise the right to purchase the entire amount of the said newly issued ordinary shares. It will have the highest impact on earnings per share.

$$\begin{aligned}
 & = \frac{(\text{Earnings per share before Rights Offering (RO)} - \text{Earnings per share after Rights Offering (RO)})}{\text{Earnings per share prior to Rights Offering (RO)}} \\
 & = \frac{(0.0400 - 0.0200)}{0.0400} \\
 & = 50.00\%
 \end{aligned}$$

Whereby

Earnings per share before Rights Offering (RO)

$$\begin{aligned}
 &= \frac{\text{Net profit}}{\text{The original number of shares paid.}} \\
 &= \frac{13,857,764}{346,318,761} \\
 &= 0.0400 \text{ THB/Share}
 \end{aligned}$$

Earnings per share after Rights Offering (RO)

$$\begin{aligned}
 &= \frac{\text{Net Profit}}{\begin{matrix} \text{(The original number} & + & \text{The number of} \\ \text{of shares already} & & \text{shares eligible for} \\ \text{paid.} & & \text{Rights Offering (RO))} \end{matrix}} \\
 &= \frac{13,857,764}{\begin{matrix} (346,318,761 & + & 346,318,761) \end{matrix}} \\
 &= 0.0200 \text{ THB/Share}
 \end{aligned}$$

4. The effect on shareholders from the sale of newly issued shares for PROEN-W2 Warrant

4.1 Effect on the Proportion of Shareholding (Control Dilution)

If the shareholders who receive the PROEN-W2 Warrants have exercised the right to convert to ordinary shares in full amount, it will not affect the voting rights of the Company's shareholders (Control Dilution). If the shareholders who receive the PROEN-W2 Warrants do not exercise the right to convert and other shareholders exercise the right to convert in full amount, it will affect the voting rights of the shareholders of the Company (Control Dilution) as follows: (The calculation of the impact below is based on the assumption that the offering of newly issued ordinary shares to the existing shareholders of the Company proportionate to their respective shareholding (Rights Offering), which will occur before the allocation of the PROEN-W2 Warrants, the purchaser of the shares exercises their rights to purchase the newly issued ordinary shares in full)

$$\begin{aligned}
 &= \frac{\text{No. of shares reserved for PROEN-W2}}{\begin{matrix} \text{No. of paid-up shares + No. of shares reserved for RO.} \\ \text{+ No. of shares to support PROEN-W2} \end{matrix}}
 \end{aligned}$$

$$= \frac{173,159,380 \text{ shares}}{346,318,761 \text{ shares} + 346,318,761 \text{ shares} + 346,318,761 \text{ shares}}$$

$$= 20.00\%$$

4.2 Effect on the price of the share (Price Dilution)

If shareholders who receive PROEN-W2 warrants exercise their rights to convert to common shares in the amount they have received, there will be the maximum impact on the market price of the shares as follows (The calculation of the impact below is based on the assumption that the offering of additional common shares will be offered to the existing shareholders of the company in proportion to their shareholding (Rights Offering) and will occur before the allocation of PROEN-W2 warrants and there will be shareholders exercising their rights to purchase shares to purchase the said newly issued ordinary shares in full amount).

	(Market price before the Rights Offering (RO) and PROEN-W2 offering)	-	Market price after the Rights Offering (RO) and PROEN-W2 offering)
=	(1.8951)	-	1.3580)
	The market price prior to the Rights Offering (RO) and PROEN-W2 offering		
=	1.8951		
=	28.34 %		

Whereas the market price after the Rights Offering (RO) and PROEN-W2 offering

	+ (The Rights Offering (RO) subscription price x the number of shares eligible for RO.)	+	(The PROEN-W2 subscription price x the number of shares eligible for PROEN-W2.)]
=	[(The market price x the number of shares already paid.)	+ (The Rights Offering (RO) subscription price x the number of shares eligible for RO.)	+ (The PROEN-W2 subscription price x the number of shares eligible for PROEN-W2.)]
	(The original number of shares already paid	+ The number of shares eligible for the Rights Offering (RO).	+ The number of shares eligible for PROEN-W2.)

$$\begin{aligned}
 &= \frac{[(1.8951 \times 346,318,761) + (1 \times 346,318,761) + (1 \times 346,318,761)]}{(346,318,761 + 346,318,761 + 173,159,380)} \\
 &= 1.3580 \text{ THB.}
 \end{aligned}$$

Remark: The market price is equal to the weighted average market price of the company for the preceding 15 consecutive trading days before the Company Board of Directors Meeting No. 3/2024 held on May 9, 2024 (i.e., between April 11, 2024, and May 8, 2024). (This data is obtained from SETSMART, the Stock Exchange of Thailand's platform.) The value is 1.8951 THB.

4.3 Impact on earning per share. (Earnings per share Dilution)

If shareholders who receive PROEN-W2 warrants exercise their rights to convert to common shares in the amount they have received, the maximum impact on earnings per share will be as follows (The calculation of the impact below is based on the assumption that the offering of additional common shares will be offered to the existing shareholders of the company in proportion to their shareholding (Rights Offering) and will occur before the allocation of PROEN-W2 warrants and there will be shareholders exercising their rights to purchase shares to purchase the said newly issued ordinary shares in full amount).

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(Earnings per share before the Rights Offering (RO) and PROEN-W2 offering)		Earnings per share after the Rights Offering (RO) and PROEN-W2 offering)
	Earnings per share prior to the Rights Offering (RO) and PROEN-W2 offering	
=	(0.0400	- 0.0160)
	0.0400	
=	60.00%	

Whereas,

Earnings per share before the Rights Offering (RO) and PROEN-W2 offering.

$$= \frac{\text{Net Profit}}{\text{The original number of shares already paid.}}$$

$$= \frac{13,857,764}{346,318,761}$$

$$= 0.0400 \text{ THB/Share}$$

Earnings per share after the Rights Offering (RO) and PROEN-W2 offering.

$$= \frac{\text{Net Profit}}{\begin{matrix} \text{(The original number} & + & \text{The number of shares} & + & \text{The number of} \\ \text{of shares already} & & \text{eligible for the Rights} & & \text{shares eligible for} \\ \text{paid.} & & \text{Offering (RO).} & & \text{PROEN-W2.)} \end{matrix}}$$

$$= \frac{13,857,764}{(346,318,761 + 346,318,761 + 173,159,380)}$$

$$= 0.0160 \text{ THB/Share}$$

5. The opinion of the Board of Directors

5.1 Reasons and necessity of the capital increase.

To bolster the company's financial capacity to support investment plans for the construction of a data center and a new office (OTT DC), repay debts, and strengthen the company's financial position, the Board of Directors has decided to issue additional common shares for sale to existing shareholders through a Rights Offering. This initiative aims to align the company's capital structure with its financial needs, enhance liquidity for operational resilience, and ensure sufficient capital to support current and future business operations. The issuance will also accommodate the exercise of rights under the PROEN-W2 warrants, facilitating prompt capital mobilization to meet the objectives. This strategic move is expected to enhance the company's flexibility and improve operational performance in line with its growth strategy.

5.2 The possibility of fund utilizing plan.

The company anticipates executing the issuance and offering of shares to existing shareholders, with the proceeds expected to be completed by July 2024. Additionally, the company plans to issue PROEN-W2 warrants within the year 2024, with 2 years expiration period from the issuance date. The funds raised from the issuance of common shares through the Rights Offering and the exercise of PROEN-W2 warrants will be allocated according to the proportion of shareholding. These funds will support the investment plan for the construction of Phase 1 of the data center and new office (OTT DC), which is projected to be completed by early 2025. This allocation also encompasses the repayment of a 100 million baht loan, scheduled for the early part of 2025.

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

After studying the rationale and benefits of this capital increase as mentioned above, the company's board of directors has determined that this capital increase is justified and will yield maximum benefits for the company. It is deemed necessary for the company to raise additional capital to support the investment plan for the construction of the data center and new office (OTT DC), as well as to repay the loan shares to strengthen the company's financial position. This will result in the company having an appropriate capital structure or financial ratio and will also provide working capital for the company's operations, both current and future. After considering various fundraising options, the board of directors believes that offering additional shares to existing shareholders in proportion is the most suitable method of fundraising given the current situation of the company. This offering of additional shares will enable the company to raise a maximum amount of approximately 519.48 million baht (assuming that all shareholders and holders of PROEN-W2 warrants exercise their rights in full).

5.4 The expected impact on the Company's business operations as well as the financial status and results of operations of the Company

The capital increase will contribute to an improved performance and strengthen financial position of the Company, which shall in turn increase liquidity, business growth and profitability of the Company without affecting the financial liquidity of the Company. The capital increase also supports the Company to be able to continue operating the business and provide a stable financial status and capital base which will benefit the Company and all shareholders.

6. Board certification Capital increase

In the case that the directors of the Company not performing duties following the law, the objectives, and the regulations of the Company as well as the resolution of the shareholders' meeting with honesty and carefulness to protect the interests of the Company. In matters relating to the capital increase by acting or omitting any actions that do not perform the duties and cause damage to the Company. The Company can claim compensation from that director, but if the Company does not claim compensation shareholders holding a total of not less than 5 percent of the total issued shares will notify the Company to be claimable. The Company does not proceed as the shareholders have informed; the shareholders can sue for damages from the director on behalf of the Company by Section 85 of the Public Company Limited Act 1992 (including amendments). In addition, the actions or omissions of the directors who do not perform their duties shall be under the laws, objectives, and regulations of the company. As well as the resolution of the shareholders' meeting with honesty and carefulness to protect the interests of the company in matters relating to capital increase, causes the directors, executives, or related persons to benefit improperly. The Company may sue the directors to be responsible for returning the benefits to the Company. The shareholders holding shares with voting rights of not less than 5% of the total voting rights of the Company will notify the company can do so. If the Company does not proceed as according to shareholders within 1 month from the date of notification such shareholders can exercise the right to claim benefits from that director on behalf of the company per Section 89/18 of the Securities and Exchange Act B.E. 2535 (including any amendments)

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

Yours sincerely

Signed 

Mr. Kittipan Sri-Bua-lam

The authorized board director

Signed 

Mr. Chaiyooth Srijabok

The authorized board director