

EFORL 031/2017

August 15, 2017

Subject: Notification the waiver of subscription right to capital increase of WCI Holding Co., Ltd.

To: President

The Stock Exchange of Thailand

Ref: Letter no. EFORL 029/2017 dated 1 August 2017 regarding to the notification of the progress of capital increase of WCI Holding Co., Ltd.

According to WCI Holding Co., Ltd. (“WCIH”), subsidiary company of E for L Aim Public Company Limited (“the Company”), has resolved the capital increase of WCIH from THB 1,160,000,000 to THB 1,740,000,000 by issuing 58,000,000 newly ordinary shares with par value of THB 10 per share. The subscription right on proportion of the Company is 29,098,600 shares with the offered price not less than THB 25 per share. The shareholder meeting of WCIH also designated executive committee to offer in lots as a portion from time to time to investor and the 1st allotment of 14,500,000 ordinary shares will be allotted to existing shareholder in proportion to 8:1. The Company is granted the subscription right of 7,274,999 shares at the offered price THB 25 per share.

On 15 August 2017, Board of Directors of E for L Aim Public Company Limited has resolved to approve the waiver of subscription right to the capital increase of WCIH on its proportion of 29,098,600 shares.

The Company, as a major shareholder, passed the resolution for capital increase transaction but waive for the subscription right because Board of Directors considered for the benefits of the group of the company. This transaction is needed as WCIH will have the funding for debt repayment and working capital. In addition there is the covenant with lenders resulting in no source of fund to be provided to the Company.

In this regard, the transaction is considered as a disposition of asset subject to 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, 2004 (collectively, the “Notifications on Acquisition or Disposal”), whereby, this transaction results such company is no longer the Company’s subsidiary. The total maximum transaction value of such transactions calculated based on the total value of consideration basis which includes loan and any guarantee by the Company to WCIH, will be equivalent to 23.42 percent. Without any disposal transactions occurred during the past six months prior to these transactions, the transaction value of this transaction will be constituted as a Type 2 Transaction (a transaction with the value of 15 percent or more, but lower than 50 percent). Accordingly, the Company is required to immediately prepare a report and disclose the information memorandum to the Stock Exchange. The information memorandum must set out the minimum details as required by Schedule 1 of the Notifications on Acquisition or Disposal, and deliver the notice to the shareholders within 21 days from the date on which the disclosure has been made to the Stock Exchange.

Consequently, the Company hereby discloses the detailed information on the disposal of assets, as follows:

1. Date of the transactions:

Board of Directors' Meeting No. 14/2017 of E for L Aim Public Company Limited convened on 15 August 2017 has resolved to approve the waiver of subscription right to the capital increase of WCI Holding Co., Ltd. of 29,098,600 newly ordinary shares or 50.17% of capital increase of WCIH.

2. Related parties and their relationships:

Issuer	:	WCIH
Seller / Waiver	:	The Company
Relationship	:	The Company is a major shareholder in WCIH which currently holds 50.17% of the existing issued share capital of WCIH. The subscription right is 29,098,600 newly issued shares from the total newly capital increase of 58,000,000 shares.

3. General Characteristics of the Transaction:

Board of Directors' Meeting No. 14/2017 has resolved to approve the waiver of subscription right to the capital increase of WCI Holding Co., Ltd. ("WCIH") of 29,098,600 ordinary shares or 50.17 percent of capital increase of WCIH.

The entering into the above transactions constitutes an assets disposal transaction pursuant to 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, 2004 (collectively, the "Notifications on Acquisition or Disposal"), whereby, this transaction results such company is no longer the Company's subsidiary. The total maximum transaction value of such transactions calculated based on the total value of consideration basis which includes loans and any guarantee by the Company to WCIH, will be equivalent to 23.42 percent. Without any disposal transactions occurred during the past six months prior to these transactions, the transaction value of this transaction will be constituted as a Type 2 Transaction (a transaction with the value of 15 percent or more, but lower than 50 percent). Accordingly, the Company is required to immediately prepare a report and disclose the information memorandum to the Stock Exchange. The information memorandum must set out the minimum details as required by Schedule 1 of the Notifications on Acquisition or Disposal, and deliver the notice to the shareholders within 21 days from the date on which the disclosure has been made to the Stock Exchange.

In this regard, the capital increase transaction of WCIH will lead to the decrease of the shareholding proportion of the Company in WCIH from 50.17 percent to be not lower than 33.45 percent of the registered and paid-up capital after the offering newly shares capital.

As the waiver of subscription right to the capital increase of WCIH has resolved on 15 August 2017 with the same date to the last day of the subscription and payment period, the result of the 1st allotment newly shares capital of 14,500,000 shares will be noticed after registered at Department of Business Development, Ministry of Commerce. This will expect to be completed by September 2017.

In addition the certain shareholding proportion of the Company in WCIH will be recognised after issuance and offering newly share capital of 58,000,000 shares completed and registered at Department of Business Development, Ministry of Commerce. If such capital increase is finished, the Company will inform accordingly.

Transaction size calculation

The calculation of the transaction value is based on the financial information set out in the consolidated financial statements of the Company and WCIH as at 30 June 2017 reviewed by the certified auditor.

Unit: Million Baht

	EforL 30 June 17	WCIH 30 June 17
Total assets	5,768	4,615
Less Intangible assets	(2,780)	(2,492)
Less Total liabilities	(3,702)	(2,644)
Less Non controlling interest	(879)	0
Net Tangible Assets (NTA)	(1,593)	(521)
Net profit	(100)	(296)

Capital Increase Transaction of WCIH:

Calculation Method	Calculation Formula
1. Net Tangible Asset (NTA)	= Not applicable, as the NTA of the Company is in negative.
2. Net Profit	= Not applicable, as the negative net profit
3. Total Value of Consideration	= Amount paid / received + (Loans from the Company + any guarantee by the Company to WCIH) / Total assets value under Consolidated Financial Statements of the Company = (0+(1,091+260))/5,768 = 23.42%
4. Value of Securities	Not applicable, as there is no issuance of securities as a consideration for the acquisition of assets

4. Details of the asset to be disposed:

Increase share capital of WCIH

Type of business: A company holding the shares in other companies which engage in the business

	of aesthetic clinic, retailing and wholesaling of cosmetic products
Principal office:	35/62 Moo 2 Kwamwongwan rd., Bangkhen, Muang, Nonthaburi
Registered capital (before increase newly capital)	Baht 1,160,000,000 or 116,000,000 shares
Registered capital (after increase newly capital)	Baht 1,740,000,000 or 174,000,000 shares
Waiver of subscription right to the capital increase of WCIH shares	29,098,600 shares
Present par value	Baht 10 per share

The shareholding structure of the Company before and after the increase newly ordinary shares of WCIH is presented as follows:

	Before capital increase		After capital increase of 14,500,000 shares		After capital increase of 58,000,000 shares	
	Total	%	Total	%	Total	%
1 E for L Aim Public Company Limited	58,199,996	50.17	58,199,996	44.60% ⁽¹⁾	58,199,996	33.45% ⁽¹⁾
2 Private Fund	15,000,000	12.93				
3 Mr. Nakorn Kornhirun	9,000,000	7.76				
4 Mr. Pollapat Junvimaloung	8,000,000	6.90				
5 Mr. Wuttisak Limphanit	8,000,000	6.90				
6 M.R. Sasiprin Chandratat	4,500,000	3.88	n.a.		n.a.	
7 Mr. Philipvira Bunnag	4,500,000	3.88				
8 Mr. Pongluck Chindasombatcharoen	4,400,000	3.79				
9 Mr. Weeraphan Jakpaisan	4,400,000	3.79				
Others	4	0.00				
Total	116,000,000	100.00%	130,500,000	100.00%	174,000,000	100.00%

Source: Bor Or Jor 5 submitted to Ministry of Commerce dated 20 February 2017

- (1) *In case the capital increase transaction is completed, the shareholding proportion of the Company will be accounted in the above table. However the certain shareholding proportion of the Company in WCIH will be recognised after issuance and offering newly share capital of 58,000,000 shares completed and registered at Department of Business Development, Ministry of Commerce. If such capital increase is finished, the Company will informed accordingly*

5. Total Value of Consideration (disposed / Waiver assets)

The disposed assets are the waiver of subscription right to the capital increase of WCIH of 29,098,600 ordinary shares at Baht 25 per share or not less than Baht 727,465,000.

6. Expected Benefits

Benefits to WCIH:

- Lessen the burden of WCIH by using the proceeds to support its debt and interest repayment.
- To support working capital of WCIH

Benefits to the Company:

- Lessen effect on recognition impairment of investment and goodwill into the consolidated financial statements
- the burden of Debt to Equity of the consolidated financial statements of the Company

7. Proceeds Utilisation Plan

WCIH will have new cashflow for debt repayment and working capital.

8. Opinion of the Board of Directors on the entering into the transaction

The Board of Directors considered the waiver of subscription right to the capital increase of WCIH constitutes an assets disposal transaction and will lessen the burden of the Company.

9. Opinion of the Audit Committee and/or directors of the Company which are different from those of the Board of Directors

3 members of the Audit Committee and directors have no opinions which are different from those of the Board of Directors.

In this case, if WCIH allocates the capital-increasing ordinary shares at the Company waived to the shareholders who are connected persons of the Company, the Company will further proceed according to the regulation of connected transactions of the Stock Exchange of Thailand.

Please be informed accordingly,

Yours sincerely,

(Mr. Teerawut Pangviroonrug)

Chief Executive Officer