

Ref: HEMP-022/2564

September 13, 2021

Re: Resolutions of Board of Directors No. 8/2021 Re: Increase of Registered Capital, Acquisition of Shares in More Medical Co., Ltd., Waiver from the Requirement to Make a Tender Offer for All Securities (Whitewash), Change of Par Value, Reduction of Registered Capital to write off Accumulated Losses, Issuance of Warrants to Purchase Ordinary Shares of Health Empire Corporation Public Company Limited [Series 2 \(HEMP-W2\)](#), and the Schedule of Extraordinary General Meeting of Shareholders No. 2/2021 ([New](#))

Attn: President

The Stock of Exchange of Thailand

- Enclosures
1. Information Memorandum of Health Empire Corporation Public Company Limited Re: an Acquisition of Assets regarding the Acquisition of Shares of More Medical Co., Ltd.
  2. Information Memorandum regarding the Offering and Allocation of Newly Issued Ordinary Shares of Health Empire Corporation Public Company Limited to (i) More Return Public Company Limited which is a private placement investor and (ii) to accommodate the Exercise of the Warrants to Purchase Ordinary Shares of Health Empire Corporation Public Company Limited [Series 2 \(HEMP-W2\)](#)
  3. Capital Increase Report Form (F53-4)
  4. Details of the Application for Waiver from the Requirement to Make a Tender Offer for All Securities of the Business by virtue of Resolution of the Shareholders' Meeting (Whitewash)
  5. Summary of Preliminary Details of the Warrants to Purchase Ordinary Shares of Health Empire Corporation Public Company Limited [Series 2 \(HEMP-W2\)](#)

Health Empire Corporation Public Company Limited (the "Company") hereby gives notice to the Stock Exchange of Thailand (the "SET") that Board of Directors' Meeting No. 8/2021, which was held on September 10, 2021 at 14.00 hours, passed the following significant resolutions:

1. It was resolved to propose that the Shareholders' Meeting consider and approve the reduction of the Company's registered capital by THB 2 from the existing registered capital of THB 2,933,261,052 to THB 2,933,261,050 by cancelling 2 unsold ordinary shares with a par value of THB 1.00 per share, remaining from the allocation of newly issued ordinary shares to the Company's existing shareholders in proportion to their shareholding percentages (Rights Offering) and the amendment of Clause 4. of the



Cash Flow Approach as the valuation method which conducted by Welcap Advisory Company Limited, which is a financial advisor approved by the Office of the Securities and Exchange Commission (the “SEC Office”), the Board of Directors resolved to propose that the Shareholders’ Meeting consider and approve the issuance and allocation of not exceeding 1,655,262,500 newly issued ordinary shares at a par value of THB 1.00 per share, as payment in kind for the acquisition of shares in MMD instead of cash, representing 36.07% 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 Purchase Transaction of MMD).

The transaction involving the share allocation in consideration of the Share Purchase Transaction of MMD with MORE constitutes a private placement of newly issued ordinary shares, whereby the Shareholders’ Meeting has resolved clearly determine the offering price at THB 0.12083 per share, which is lower than 90% 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”). 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 15 consecutive business days during the period from August 20, 2021 to September 9, 2021 is equal to THB 0.68 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 of MMD’s shares from MORE (the “Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in MMD”).

The Share Purchase Transaction of MMD is regarded as business transfer transaction pursuant to Section 107(2)(a) of the Public Limited Companies Act B.E. 2535 (1992) (as amended) (the “Public Limited Companies Act”), therefore, the Company is required to obtain approval for the Share Purchase Transaction of MMD from the Shareholders’ Meeting of the Company, with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote.

In addition, the Share Purchase Transaction of MMD 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 the total value of consideration relative to the

Company's total assets per the Company's financial statements ended June 30, 2021, which have been audited by the auditor, the transaction value is equal to 325.83%. Upon combination of the Company's transactions involving the acquisition of assets over the past six months which equal to 8.73%, the highest value of the transaction is equal to 334.56% based on the total value of consideration, this transaction is regarded as a type 1 transaction (transaction between two listed companies which is equal to 50% or more) pursuant to the Notifications on Acquisition or Disposition of Assets.

Therefore, the Company is required to comply with the Notifications on Acquisition or Disposition of Assets, including the following matters:

- (1) To prepare and submit a report and disclosure of information memorandum on the Company's transaction to the SET immediately, which must at least contain the information as required in List (1) attached to the Notifications on Acquisition or Disposition of Assets;
- (2) To appoint an independent financial advisor to carry out the relevant functions, including provide its opinions as required by the Notifications on Acquisition or Disposition of Assets and submit the independent financial advisor's report to the shareholders for consideration, together with the invitation letter for the Shareholders. In this regard, the Company has appointed Welcap Advisory Company Limited, which is a financial advisor approved by the SEC Office, as its independent financial advisor to provide its opinions to the shareholders on the Share Purchase Transaction of MMD; and
- (3) To convene a Shareholders' Meeting of the Company to approve the execution of the Share Purchase Transaction of MMD, by delivering the invitation letter for the Shareholders' Meeting to the shareholders at least 14 days prior to the date of the Shareholders' meeting, with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote.

Please refer to the details of the Share Purchase Transaction of MMD in the Information Memorandum of Health Empire Corporation Public Company Limited Re: an Acquisition of Assets regarding the Acquisition of Shares of More Medical Co., Ltd. (**Enclosure 1**) and Information Memorandum regarding the Offering and Allocation of Newly Issued Ordinary Shares of Health Empire Corporation Public Company Limited to (i) More Return Public Company Limited which is a private placement investor and (ii) to accommodate the Exercise of the Warrants to Purchase Ordinary Shares of Health Empire Corporation Public Company Limited [Series 2 \(HEMP-W2\)](#) (**Enclosure 2**).

However, the Share Purchase Transaction of MMD and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in MMD shall proceed only after the conditions precedent as specified in the SPA between the Company and MORE, including other arrangements, contracts and documents relating to such transactions, have been fulfilled. The significant conditions precedent are summarized below.

- (1) The Shareholders' Meeting of the Company shall have resolved to approve the Share Purchase Transaction of MMD and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in MMD, including approval on various matters necessary for and/or in connection with such transactions;
- (2) 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 MMD or jeopardize the execution of the Share Purchase Transaction of MMD and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in MMD;
- (3) SEC Office shall have approved the private placement of the newly issued ordinary shares to MORE by way of private placement and a waiver from the requirement to make a tender offer for all securities of the business by virtue of resolution of the shareholders' meeting (Whitewash); and
- (4) The Board of Directors' Meeting and the Shareholders' Meeting of MORE shall have resolved to approve the sale of MMD's shares to the Company, including the execution of the SPA, and other arrangements, contracts and documents relating to the execution of the Share Purchase Transaction of MMD and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in MMD, as well as any other actions to ensure the successful completion of the Share Purchase Transaction of MMD and the Transaction involving the Share Allocation in Consideration of an Acquisition of Shares in MMD.

In this regard, the Board of Directors' Meeting deemed it appropriate to propose that the Shareholders' Meeting consider and authorize the Board of Directors or the Executive Committee or the Chief Executive Officer or the person authorized by the Board of Directors or the Executive Committee or the Chief Executive Officer to make any arrangements in connection with or necessary for the execution of the Share Purchase Transaction of MMD, including to negotiate, enter into, sign and amend the SPA, and other arrangements, contracts and documents relating to the Share Purchase Transaction of MMD and the Share Allocation in Consideration of the Acquisition of Shares in MMD, and to set out rules, conditions and other details necessary for and in connection with the Share Purchase Transaction of MMD and the Share Allocation

in Consideration of the Acquisition of Shares in MMD, as necessary and appropriate under the applicable laws.

3. It was resolved to propose that the Shareholders' Meeting consider and approve an increase of the Company's registered capital by THB 3,949,524,275 from the current registered capital of THB 2,933,261,050 to be THB 6,882,785,325 by issuing 3,949,524,275 newly issued ordinary shares at a par value of THB 1.00 per share to (i) allocate to private placement investor and (ii) accommodate the exercise of the warrants to purchase ordinary shares of the Company [Series 2 \(HEMP-W2\)](#) (the "HEMP-W2 Warrants") for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Right Offering) and 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 6,882,785,325	(Six Billion Eight Hundred Eighty-Two Million Seven Hundred Eighty-Five Thousand Three Hundred Twenty-Five Baht)
divided into	:	6,882,785,325 shares	(Six Billion Eight Hundred Eighty-Two Million Seven Hundred Eighty-Five Thousand Three Hundred Twenty-Five shares)
Par value per share	:	THB 1.00	(One Baht)
Classified into			
Ordinary shares	:	6,882,785,325 shares	(Six Billion Eight Hundred Eighty-Two Million Seven Hundred Eighty-Five Thousand Three Hundred Twenty-Five shares)
Preferred shares	:	-None-	-

4. It was resolved to propose that the Shareholders' Meeting consider and approve the issuance and allocation of not exceeding 3,949,524,275 newly issued ordinary shares of the Company at a par value of THB 1.00 per share by allocating (i) 1,655,262,500 newly issued ordinary shares to private placement investor and (ii) 2,294,261,775 newly issued ordinary shares to accommodate the exercise of the

HEMP-W2 Warrants for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Right Offering), as follows:

4.1 It was resolved to propose that the Shareholders' Meeting consider and approve an issuance and allocation of not exceeding 1,655,262,500 newly issued ordinary shares. The offering price of newly issued ordinary shares is THB 0.12083 per share, totaling THB 200,000,000 to MORE which is private placement investor, as payment in kind for the Share Purchase Transaction of MMD. In this regard, MORE shall pay the purchase price with 249,998 shares of MMD at a par value of THB 100 per share (representing 99.99% of all issued and paid-up shares of MMD) instead of cash payment.

Nonetheless, the Company has accumulated losses shown in the financial statements as of June 30, 2021. Thus, the Company is able to determine the offering price of the Company's newly issued ordinary shares lower than the Company's par value. In this connection, the Company must comply with Section 52 of the Public Limited Companies Act.

The issuance and allocation of newly issued ordinary shares in consideration of the acquisition of shares in MMD to MORE above constitute a private placement of newly issued ordinary shares whereby the Shareholders' Meeting of the Company shall pass a resolution to specifically determine the offering price at THB 0.12083 per share, which is lower than 90% of the market price of the Company's shares pursuant to Notification No. TorJor. 72/2558. The Company determined the price discount at 82.23% of the market price, which is more than 10% of the market price, and is considered as the offering of newly issued ordinary shares at a price lower than the market price under the Notification No. TorJor. 72/2558. Therefore, the Company shall obtain approval from the Shareholders' Meeting with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote and also not more than an aggregate of 10% or more of the total votes of the shareholders present at the Meeting and entitled to vote object the offering at such price.

The Company shall obtain approval from the Shareholders' Meeting for the offering and issuance of newly issued shares. The Company must also obtain approval from the SEC Office pursuant to the Notification No. TorJor. 72/2558 prior to the offering and allocation of the Company's newly issued ordinary shares.

The market price for the issuance of the newly issued ordinary shares to be allocated to MORE calculated from the weighted average price of the Company's shares being traded on SET over the past 15 consecutive business days before the date of this Board of Directors' Meeting resolved to approve to propose to the shareholders' meeting of the Company to consider and approve the issuance and allocation of the newly issued ordinary shares to MORE, which is the private placement investor, namely from August 20, 2021 to September 9, 2021, which is equal to THB 0.68 (Information from SETSMART pursuant to [www.setsmart.com](http://www.setsmart.com)).

Moreover, if the offering price of the newly issued ordinary shares to MORE is lower than 90% of the market price of the Company's shares before the first date of offering of the newly issued ordinary shares, the Company is obliged to prohibit MORE 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, MORE may gradually sell up to 25% 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).

The Company anticipates that the Share Purchase Transaction of MMD shall be completed by January 2022 (depending on the completion of the conditions precedent under the SPA) and after the Shareholders' Meeting shall have resolved to approve the Share Purchase Transaction of MMD and Transaction on Share Allocation in Consideration of the Acquisition of Shares in MMD, including an approval on various matters necessary for and/or in connection with such transactions.

In addition, the Board of Directors' Meeting resolved to propose that the Shareholders' Meeting consider and authorize the Board of Directors or the Executive Committee or the Chief Executive Officer or the person authorized by the Board of Directors or the Executive Committee or the Chief Executive Officer 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, 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; and

Pursuant to Notification No. TorJor. 72/2558, the Company is required to complete the share offering within the period as approved by the Shareholders' Meeting, but not exceeding 3 months from the date the Shareholders' Meeting passes its resolution to approve the offering of the newly issued ordinary shares.

4.2 It was resolved to propose that the Shareholders' Meeting consider and approve an issuance and allocation of not exceeding 177,849,750 newly issued ordinary shares (calculated from the number of shares after the change of the par value by way of reverse stock split as discussed in No. 7 and the reduction of the capital to write off accumulated losses as discussed in No. 9 of this document), at a par value of THB 1.00 per share (or not exceeding 2,294,261,775 newly issued ordinary shares calculated from the number of shares before the change of the par value by way of reverse stock split and the reduction of the capital to write off accumulated losses), in order to accommodate the exercise of HEMP-W2 Warrants to the Company's existing shareholders in proportion to their shareholding percentages (Rights Offering) at the ratio of two (2) existing ordinary shares to one (1) unit of the HEMP-W2 Warrants. (The allocation ratio is calculated from the number of shares after the change of the par value by way of reverse stock split as discussed in No. 7 and the reduction of the capital to write off accumulated losses as discussed in No. 9 of this document). The offering price of the HEMP-W2 Warrants is THB -0.00- per unit.

Should there be any fraction of the HEMP-W2 Warrants remaining from the calculation of allocation ratio, such fraction shall be discarded. The right to be allocated with the HEMP-W2 Warrants shall remain uncertain until approved by the Extraordinary General Meeting of Shareholders No. 2/2021. Upon the registration of the change of par value and the reduction of the capital to write off accumulated losses as discussed in Nos. 7 and 9 of this document, the Company's registered capital ordinary shares to accommodate the exercise of the HEMP-W2 Warrants shall be amended in accordance with the change of the Company's registered capital and par value, whereby such change in the number shall be as follows:

	Before change of par value (THB)	After change of par value (THB)	After reduction of registered capital by decrease of par value (THB)
Registered capital	6,882,785,325	6,882,785,325	533,549,250
Par Value	1	12.90	1
Number of registered shares	6,882,785,325	533,549,250	533,549,250
Number of newly issued	2,294,261,775	177,849,750	177,849,750



Please refer to details of the opinions of the Board of Directors and the details of the issuance, offer and allocation of the Company's newly issued ordinary shares in the Information Memorandum of Health Empire Corporation Public Company Limited Re: an Acquisition of Assets regarding the Acquisition of Shares of More Medical Co., Ltd. (**Enclosure 1**), Information Memorandum regarding the Offering and Allocation of Newly Issued Ordinary Shares of Health Empire Corporation Public Company Limited to (i) More Return Public Company Limited which is a private placement investor and (ii) to accommodate the Exercise of the Warrants to Purchase Ordinary Shares of Health Empire Corporation Public Company Limited [Series 2 \(HEMP-W2\)](#) (**Enclosure 2**) and Capital Increase Report Form (F53-4) (**Enclosure 3**).

5. It was resolved to propose that the Shareholders' Meeting consider and approve a waiver from the requirement to make a tender offer for all securities by virtue of the resolution of the Shareholders' Meeting (Whitewash).

In relation to an increase of the Company's registered capital by THB 3,949,524,275 to be THB 6,882,785,325 by issuing 3,949,524,275 newly issued ordinary shares at a par value of THB 1.00 per share by allocating (i) 1,655,262,500 newly issued ordinary shares to private placement investor, as payment in kind for the acquisition of shares in MMD from MORE and (ii) 2,294,261,775 newly issued ordinary shares to accommodate the exercise of the [HEMP-W2](#) Warrants for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Right Offering) as discussed in No. 4 of this document. As a result, MORE, which is the private placement investor, shall receive 1,655,262,500 newly issued ordinary shares, representing 36.07% of all issued and paid-up shares of the Company after an increase of paid-up capital. Therefore, MORE triggers the requirement to make a tender offer for all securities of the Company at 25% and is thus required to make a tender offer for all securities of the Company pursuant to the Securities and Exchange Act B.E. 2535 (1992) (as amended) and the Notification of the Capital Market Supervisory Board No. TorJor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers dated May 13, 2011 (as amended).

However, MORE wishes to apply for a waiver from the requirement to make a tender offer for all securities of the Company by virtue of resolution of the Shareholders' Meeting (Whitewash) pursuant to the Notification of the SEC Office No. SorKor. 29/2561 Re: Rules for the Application for Waiver from the Requirement to Make Tender Offer for All Securities of the Business by Virtue of the Shareholders' Meeting Resolution. The waiver from the requirement to make a tender offer for all securities of the Company by virtue of resolution of the Shareholders' Meeting on this occasion requires approval from the Shareholders' Meeting with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote, excluding the votes of the persons under Section 258 of the Securities and Exchange Act B.E. 2535 (1992) (as amended) of the applicant or the concert party of the applicant, and the persons under Section 258 of such party.

Please refer to further information in the Details of the Application for Waiver from the Requirement to Make a Tender Offer for All Securities of the Business by virtue of Resolution of the Shareholders' Meeting (Whitewash) (Enclosure 4).

6. It was resolved to approve the appointment of Welcap Advisory Company Limited which is a financial advisor on the list approved by the SEC Office, as the Company's independent financial advisor (IFA) to provide the Company's shareholders with its opinion on (a) Share Purchase Transaction of MMD and Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in MMD which is regarded as an acquisition of assets of listed companies ; and (b) the application for a waiver from the requirement to make a tender offer for all securities of the business by virtue of resolution of the Shareholders' Meeting (Whitewash).

7. It was resolved to propose that the Shareholders' Meeting consider and approve the change of par value by way of reverse stock split from THB 1.00 per share to be THB 12.90 per share, as follows:

	<u>Before</u> change of par value (THB)	<u>After</u> change of par value (THB)
Registered Capital*	6,882,785,325	6,882,785,325
Paid-up Capital	4,588,523,550	4,588,523,550
Par Value	1.00	12.90
Registered Shares*	6,882,785,325	533,549,250
Paid-up Shares	4,588,523,550	355,699,500

Remarks \* Registered capital and registered shares are calculated after (1) a reduction of registered capital by cancelling 2 unsold shares as discussed in No. 1 and (2) an increase of registered capital by THB 3,949,524,275 by issuing not exceeding 3,949,524,275 newly issued ordinary shares to (1) allocate to private placement investor and (2) accommodate the exercise of the [HEMP-W2 Warrants](#) as discussed in No. 4 after the allocation to private placement investor.

In addition, it was resolved to propose that the Shareholders' Meeting consider and approve the amendment of the amendment of Clause 4. (Registered Capital) of the Company's Memorandum of Association to be in line with the change of par value, as follows:

"Clause 4. Registered capital : THB 6,882,785,325 (Six Billion Eight Hundred Eighty-Two Million Seven Hundred Eighty-Five Thousand Three Hundred Twenty-Five Baht)  
divided into : 533,549,250 shares (Five Hundred Thirty-Three

		Million Five Hundred Forty-Nine Thousand Two Hundred Fifty shares)
Par value per share	: THB 12.90	(Twelve Baht Ninety Satang)
Classified into		
Ordinary shares	: 533,549,250 shares	(Five Hundred Thirty-Three Million Five Hundred Forty-Nine Thousand Two Hundred Fifty shares)
Preferred shares	: -None-	-"

The calculation for change of the par value of the Company's shares from THB 1.00 per share to THB 12.90 per share will cause certain shareholders to have some fractional shares which may not be sufficient to be converted into new shares, whereby the existing shares in such fractional number shall be discarded. For the purpose of calculation for change of the par value and the discard thereof, the Company shall authorize Thailand Securities Depository Co., Ltd. (TSD) to do so. In order to safeguard the rights of certain shareholders affected by such fractional shares being discarded, the Company will compensate for the fractional shares discarded at the price equal to the weighted average closing price of the Company's shares in SET over the past period of 7 consecutive business days before the date of the Extraordinary General Meeting of Shareholders of the Company No. 2/2021. Each shareholder affected thereby may request a cash compensation for the fractional shares at the Company's office at No. 9 Ramkhamhaeng 22 (Chittranukhro), Ramkhamhaeng RD. Huamark Sub-District, Bangkok District Bangkok within 1 month from the effective date of change of the par value of the Company's shares. Should any affected shareholder not request such cash compensation within the specified time, such shareholder shall be deemed to have waived his/her right to such compensation.

In this regard, it was resolved to propose that the Shareholders' Meeting consider and authorize the Board of Directors or the Executive Committee or the Chief Executive Officer or any other person appointed and assigned by the Board of Directors or the Executive Committee or the Chief Executive Officer to take any relevant or necessary actions as appropriate to ensure the successful of registration of the Company's Memorandum of Association with the Department of Business Development, Ministry of Commerce, with the power to take all necessary action in accordance with the Registrar's order to complete the registration.

8. It was resolved to propose that the Shareholders' Meeting consider and approve the transfer of legal reserve of THB 23,724,561.84 (the Company has no other reserves) to compensate its accumulated losses of THB (1,490,429,326.32) pursuant to separate statement of financial position ended June 30, 2021,

which have been audited by the auditor, in order that the Company can pay dividend to shareholders in the future when the Company has sufficient net profit and cash flow, as follows:

Details of Equity (Unit:THB)	<u>Before</u> transfer of legal reserve to compensate accumulated losses (THB)	<u>After</u> transfer of legal reserve to compensate accumulated losses (THB)
Registered Capital	2,933,261,052	2,933,261,052
Paid-up Capital	2,933,261,050	2,933,261,050
Share (Discount) Premium	(1,311,377,796.88)	(1,311,377,796.88)
Legal Reserve	23,724,561.84	-
Accumulated Losses	(1,490,429,326.32)	(1,466,704,764.48)
Equity	155,178,488.64	155,178,488.64

9. It was resolved to propose that the Shareholders' Meeting consider and approve a reduction of the Company's registered capital by THB 6,349,236,075 from the current registered capital of THB 6,882,785,325 to be THB 533,549,250 and from the current paid-up capital of THB 4,588,523,550 to be THB 355,699,500 by change of par value from THB 12.90 per share to be THB 1.00 per share in order to compensate share discount and the Company's accumulated losses. The Company's registered shares remain unchanged at 533,549,250 shares. Details are as follows:

	<u>Before</u> change of par value	Change	<u>After</u> change of par value
<b>Registered Capital</b>			
- Number of Shares	533,549,250	-	533,549,250
- Par Value (THB)	12.90	(11.90)	1.00
- Total Value (THB)	6,882,785,325	(6,349,236,075)	533,549,250
<b>Paid-up Capital</b>			
- Number of Shares	355,699,500	-	355,699,500
- Par Value (THB)	12.90	(11.90)	1.00
- Total Value (THB)	4,588,523,550	(4,232,824,050)	355,699,500

The shareholders' equity after the completion of the issuance and allocation of not exceeding 1,655,262,500 newly issued ordinary shares to private placement investor with the value of THB 200,000,000 and after the transfer of legal reserve to compensate the Company's accumulated losses are shown in the table below:



Upon the Extraordinary General Meeting of Shareholders No. 2/2021, which was held on November 26, 2021, the Company shall written notify the creditors of the resolutions for the reduction of the registered capital and the registration of the reduction of the Company's registered capital with Ministry of Commerce accordingly.

10. It was resolved to propose that the Shareholders' Meeting consider and approve the issuance of the [HEMP-W2 Warrants](#) in the amount not exceeding 177,849,750 units (calculated on number of shares after the change of the par value of the Company's shares by way of reverse stock split as discussed in No. 7 and the reduction of capital to write off accumulated losses as discussed in No. 9 of this document) for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Right Offering). The Company will allocate the [HEMP-W2 Warrants](#) to the Company's existing shareholders in proportion to their shareholding percentages (Rights Offering) at the ratio of two (2) existing ordinary shares to one (1) unit of the [HEMP-W2 Warrants](#) at THB -0.00- per unit, at the exercise price of the [HEMP -W2 Warrants](#) equal to THB 15.00 per share. The [HEMP-W2 Warrant](#) shall have a term of 2 years from the issuance date of the [HEMP-W2 Warrant](#). Should there be any fraction of the [HEMP-W2 Warrants](#) remaining from the calculation at the allocation ratio, such fraction shall be discarded.

Please refer to further details in the Summary of Preliminary Details of the Warrants to Purchase Ordinary Shares of Health Empire Corporation Public Company Limited [Series 2 \(HEMP-W2\)](#) (Enclosure 5).

In view of the above, the Company have summarized the key actions and tentative timeline for the transactions which have been approved by the Board of Directors as follows:

No.	Procedures	Tentative Date
1.	The Board of Directors' Meetings of the Company shall consider approving the Share Purchase Transaction of MMD	September 10, 2021
2.	The Shareholders' Meetings of the Company shall consider approving the Share Purchase Transaction of MMD	November 26, 2021
3.	The Company shall obtain approval from the SEC Office for the issuance of shares by way of private place as payment in kind for the acquisition of shares in MMD instead of cash payment	December 2021
4.	The Company shall register its registered capital increase	Within 14 days from the date of the





- Agenda Item 1 To consider and certify the Minutes of the 2021 Annual General Meeting of Shareholders
- Agenda Item 2 To consider and approve the reduction of the Company's registered capital by THB 2 from the existing registered capital of THB 2,933,261,052 to be THB 2,933,261,050, which are ordinary shares remaining from the allocation of newly issued ordinary shares to the Company's existing shareholders in proportion to their shareholding percentages (Rights Offering) and an amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the reduction of the Company's registered capital by cancelling the unsold ordinary shares;
- Agenda Item 3 To consider and approve the acquisition of shares of More Medical Co., Ltd. from More Return Public Company Limited, including the execution of the share purchase agreement, and other arrangements, contracts and documents relating to the acquisition of shares which is regarded as an acquisition of assets of listed companies;
- Agenda Item 4 To consider and approve the increase of the Company's registered capital by 3,949,524,275 from the current registered capital of THB 2,933,261,050 to be THB 6,882,785,325 by issuing not exceeding 3,949,524,275 newly issued ordinary shares at a par value of THB 1 per share for (i) an allocation to private placement investor and (ii) an accommodation of the exercise of the [HEMP-W2](#) Warrants for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Right Offering) and 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;
- Agenda Item 5 To consider and approve the issuance and allocation of not exceeding 3,949,524,275 newly issued ordinary shares of the Company at a par value of THB 1.00 per share by allocating (i) 1,655,262,500 newly issued ordinary shares to allocate to private placement investor and (ii) 2,294,261,775 newly issued ordinary shares to accommodate the exercise of the [HEMP-W2](#) Warrants for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Right Offering)

- Agenda Item 5.1 To consider and approve the issuance the Company's newly issued ordinary shares to be allocated to private placement investor
- Agenda Item 5.2 To consider and approve the issuance the Company's newly issued ordinary shares to accommodate the exercise of warrants to purchase ordinary shares of the Company [Series 2 \(HEMP-W2\)](#) for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Right Offering)
- Agenda Item 6 To consider and approve a waiver from the requirement to make a tender offer for all securities by virtue of the resolution of the Shareholders' Meeting (Whitewash);
- Agenda Item 7 To consider and approve the change of par value from THB 1.00 per share to be THB 12.90 per share and an amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the change of par value of the Company;
- Agenda Item 8 To consider and approve the transfer of legal reserve to compensate the Company's accumulated losses
- Agenda Item 9 To consider and approve a reduction of the Company's registered capital by THB 6,349,236,075 from the current registered capital of THB 6,882,785,325 to be THB 533,549,250 and from the current paid-up capital of THB 4,588,523,550 to be THB 355,699,500 by change of par value from THB 12.90 per share to be THB 1.00 per share in order to compensate share discount and the Company's accumulated losses and an amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the change of par value of the Company;
- Agenda Item 10 To consider and approve the issuance of the warrants to purchase ordinary shares of the Company in the amount not exceeding 177,849,750 units for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Right Offering); and
- Agenda Item 11 To consider other matters (if any)

In consideration of Agenda Items 3 to Agenda Items 10 of the Extraordinary General Meeting of Shareholders No. 2/2021 are related matters and related conditions. If any of those agenda was

disapproved by the shareholders, other agenda that are related matters and related conditions will not be further proposed for consideration and those retreated agenda shall be disapproved as well.

12. It was resolved to authorize the Chief Executive Officer to have the authority to consider approving any amendment and/or addition to the agenda of the Extraordinary General Meeting of Shareholders No. 2/2021, and any amendment or change of the date, time and place for the Extraordinary General Meeting of Shareholders No. 2/2021 as appropriate, in case that the Company encounters problems in preparing document and information resulting in the delay in preparation of such documents and information to be sent to the shareholders within the period required by the applicable laws and regulations or there are events that are necessary to amend or change the scheduled date and time of the meeting as deemed appropriate.

Please be informed accordingly.

Sincerely yours,

*-Samart Chuasiriphattana-*

( Mr. Samart Chuasiriphattana )

Director and CEO

Information Memorandum of Health Empire Corporation Public Company Limited  
Re: an Acquisition of Assets regarding the Acquisition of Shares of More Medical Co., Ltd.

Board of Directors' Meeting No. 8/2021 of Health Empire Corporation Public Company Limited (the "Company"), which was held on September 10, 2021, resolved to propose that the Shareholders' Meeting consider and approve an acquisition of 249,998 shares of More Medical Co., Ltd. ("MMD") at a par value of THB 100 per share (representing 99.99% of all paid-up shares of MMD), from More Return Public Company Limited ("MORE"), including the execution of the share purchase agreement, and other arrangements, contracts and documents relating to the acquisition and acceptance of MMD's shares (the "Share Purchase Transaction of MMD").

The Company shall pay for the Share Purchase Transaction of MMD in the form of not exceeding 1,655,262,500 newly issued ordinary shares at a par value of THB 1.00 per share by way of private placement. The offering price is THB 0.12083, totaling not exceeding THB 200,000,000, which is lower than 90% of the market price of the Company's share 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"). In this regard, the "market price" refers to the weighted average price of the Company's shares listed on the Stock Exchange of Thailand (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 15 consecutive business days during the period from August 20, 2021 to September 9, 2021 is equal to THB 0.68 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 of MMD's shares from MORE (the "Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in MMD").

The Share Purchase Transaction of MMD is regarded as business transfer transaction pursuant to Section 107(2)(a) of the Public Limited Companies Act B.E. 2535 (1992) (as amended) (the "Public Limited Companies Act"), therefore, the Company is required to obtain approval for the Share Purchase Transaction of MMD from the Shareholders' Meeting of the Company, with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote.

In addition, the Share Purchase Transaction of MMD 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 the total value of consideration relative to the Company’s total assets per the Company’s financial statements ended June 30, 2021, which have been audited by the auditor, the transaction value is equal to 325.83%. Upon combination of the Company’s transactions involving the acquisition of assets over the past six months which equal to 8.73%, the highest value of the transaction is equal to 334.56% based on the total value of consideration, this transaction is regarded as a type 1 transaction (transaction between two listed companies which is equal to 50% or more) pursuant to the Notifications on Acquisition or Disposition of Assets

Therefore, the Company is required to comply with the Notifications on Acquisition or Disposition of Assets, including the following matters:

- (1) To prepare and submit a report and disclosure of information memorandum on the Company’s transaction to the SET immediately, which must at least contain the information as required in List (1) attached to the Notifications on Acquisition or Disposition of Assets;
- (2) To appoint an independent financial advisor to carry out the relevant functions, including provide its opinions as required by the Notifications on Acquisition or Disposition of Assets and submit the independent financial advisor’s report to the shareholders for consideration, together with the invitation letter for the Shareholders. In this regard, the Company has appointed Welcap Advisory Company Limited, which is a financial advisor approved by the Office of the Securities and Exchange Commission (the “**SEC Office**”), as its independent financial advisor to provide its opinions to the shareholders on the Share Purchase Transaction of MMD; and
- (3) To convene a Shareholders’ Meeting of the Company to approve the execution of the Share Purchase Transaction of MMD, by delivering the invitation letter for the Shareholders’ Meeting to the shareholders at least 14 days prior to the date of the Shareholders’ meeting, with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote.

The Company would like to provide the details of the Information Memorandum on acquisition of assets regarding Share Purchase Transaction of MMD as follows:

**1. Transaction Date**

Share Purchase Transaction of MMD shall occur upon the conditions that (i) the Company obtains an approval from Extraordinary General Meeting of Shareholders No. 2/2021 which will be held on November 26, 2021;

(ii) MORE obtains an approval from Extraordinary General Meeting of Shareholders No. 1/2021 which will be held on November 26, 2021; (ii) the SEC Office grants an approval to the Company to offer the newly issued shares to the private placement investor, namely MORE, as payment in kind for MMD's shares instead of cash, and an approval to a waiver from the requirement to make a tender offer for all securities by virtue of the resolution of the Shareholders' Meeting (Whitewash).

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

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

**Seller** : MORE, a shareholder holding 99.99% of all shares in MMD.

MORE engages in three business categories i.e. 1) energy-saving equipment distribution business and business related to renewable energy 2) water supply system installation business to manage water supply on Koh Samed and 3) real estate development business

Above businesses will not compete with the Company's core business.

**Relationship** : None. The Seller is not a major shareholder, a candidate for controller, including a related person of such person of the Company

**Ultimate Shareholder of MORE** ; Given MORE is a listed company, therefore MORE has a major shareholder as of 15 March 2021 as follows:

No.	Name of shareholders	Number of shares	Shareholding (percent)
1.	Mr. Ummarit Klomchitcharoen	1,507,200,165	23.08
2.	Mr. Sirisak Piyathassrikul	732,862,800	11.22
3.	Mr. Wasant Chawla	456,748,000	6.99
4.	Mr. Apimuk Bamroongwongse	333,333,333	5.10
5.	Thai NVDR Company Limited	319,206,259	4.89
6.	Mr. Samart Chuasiriphattana	284,000,065	4.35

7.	UOB Kay Hian Private Limited	193,750,000	2.97
8.	Miss Jirawan Chaipongpati	121,897,400	1.87
9.	Mr. Prinyar Prinyarnussorn	111,111,111	1.70
10.	Mrs. Thanisorn Thamlikitkul	90,594,000	1.39
	Others	2,380,168,462	36.44
	<b>Total</b>	<b>6,530,871,595</b>	<b>100.00</b>

Directors and major shareholders of MORE do not have any relationship with the Company or (1) directors and executives of the Company (2) controlling person (3) major shareholders of the Company or (4) any juristic person with persons in (1) (2) or (3) as a major shareholder or controlling persons. Thus, MORE is not the Company's connected person under 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).

### 3. General Description and Size of the Transaction

#### 3.1 General Description of the Transaction

The Company shall enter into the share purchase agreement to acquire 249,998 shares in MMD from MORE at a par value of THB 100, representing 99% of all shares of MMD at the total purchase price of THB 200,000,000. In this regard, the Company shall pay for such shares in the form of not exceeding 1,655,262,500 newly issued ordinary shares at a par value of THB 1 per share by way of private placement at the offering price of THB 0.12083 per share. The Company is of the view that such price shall secure the best interests of the shareholders upon consideration of MMD's value and the current value of the Company's shares. The offering price is lower than 90% of the market price of the Company's shares under the applicable notifications of the SEC Office. 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



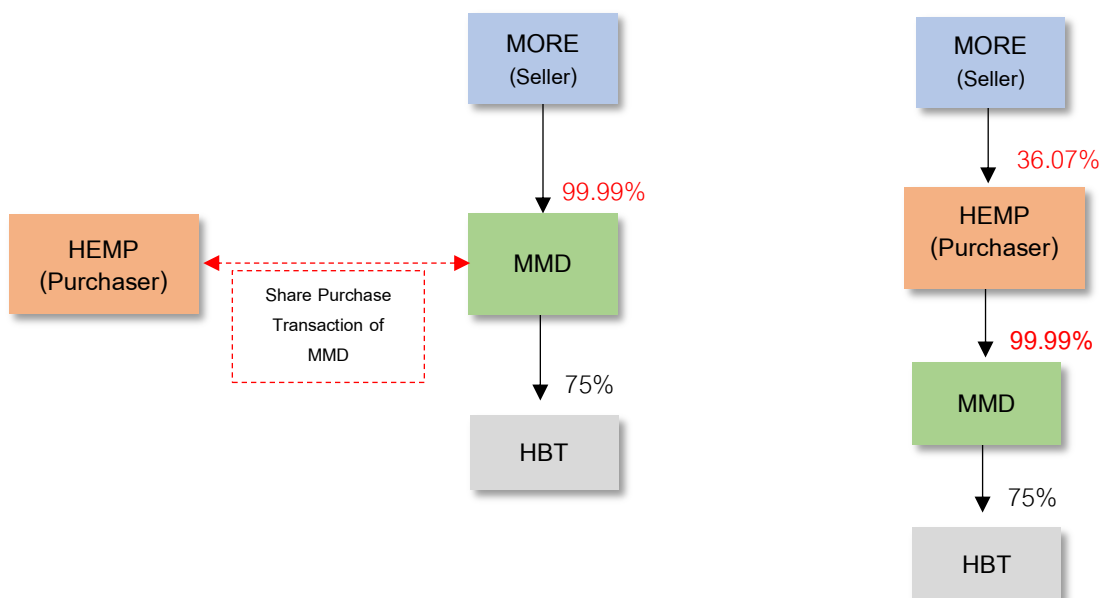
Company's shares calculated for the past 15 consecutive business days during the period from August 20, 2021 to September 9, 2021 is equal to THB 0.68 per share (Source: SETSMART from www.setsmart.com). The Company's newly issued ordinary shares shall be used as payment in kind for the acquisition of MMD's shares from MORE instead of cash.

The Share Purchase Transaction of MMD is regarded as business transfer transaction pursuant to Section 107(2)(a) of the Public Limited Companies Act, therefore, the Company is required to obtain approval for the Share Purchase Transaction of MMD from the Shareholders' Meeting of the Company, with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote.

In addition, the issuance and allocation of newly issued ordinary shares in consideration of the acquisition of shares in MMD to MORE above constitute a private placement of newly issued ordinary shares whereby the Shareholders' Meeting of the Company shall pass a resolution to specifically determine the offering price which is lower than the market price of the Company's shares pursuant to Notification No. TorJor. 72/2558. Therefore, the Company shall obtain approval from the Shareholders' Meeting with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote and also not more than an aggregate of 10% or more of the total votes of the shareholders present at the Meeting and entitled to vote object the offering at such price. The Company shall also obtain approval from the Shareholders' Meeting for the offering and issuance of newly issued shares. The Company must also obtain approval from the SEC Office pursuant to the applicable laws prior to the offering and allocation of the Company's newly issued ordinary shares.

Before the Share Purchase Transactions

After the Share Purchase Transactions



The list of shareholders before and after the transaction are as follows;

	Name	Before Transaction		After Transaction	
		Number of Shares	%	Number of Shares	%
1.	More Return Public Company Limited*	-	-	1,655,262,500	36.07
2.	Mr. Thibdee Mangkalee	638,233,520	21.76	638,233,520	13.91
3.	Ms. Ailada Chinnawat	547,537,175	18.67	547,537,175	11.93
4.	Mr. Nattapon Churangkoon	182,263,800	6.21	182,263,800	3.97
5.	Mr. Taweecat Churangkoon	112,655,300	3.84	112,655,300	2.46
6.	Mr. Sumeth Manosut	109,586,500	3.74	109,586,500	2.39
7.	General Record International Industry Company Limited	66,600,000	2.27	66,600,000	1.45
8.	Mr. Chatchai Wongsakulchai	59,041,800	2.01	59,041,800	1.29
9.	Mr. Nuttawut Chewamongkol	54,507,400	1.86	54,507,400	1.19
10.	Mr. Sombat Panichewa	39,000,000	1.33	39,000,000	0.85
11.	Mr. Kasemthat Paichitsombat	33,458,175	1.14	33,458,175	0.73
	Others	1,090,377,380	37.17	1,090,377,380	23.76
	<b>Total</b>	<b>2,933,261,050</b>	<b>100.00</b>	<b>4,588,523,550</b>	<b>100.00</b>

\*Remark: Given MORE is a listed company, therefore MORE has a major shareholder as of 15 March 2021 as follows:

No.	Name of shareholders	Number of shares	Shareholding (percent)
1.	Mr. Ummarit Klomchitcharoen	1,507,200,165	23.08
2.	Mr. Sirisak Piyathassrikul	732,862,800	11.22
3.	Mr. Wasant Chawla	456,748,000	6.99
4.	Mr. Apimuk Bamroongwongse	333,333,333	5.10
5.	Thai NVDR Company Limited	319,206,259	4.89
6.	Mr. Samart Chuasiriphattana	284,000,065	4.35
7.	UOB Kay Hian Private Limited	193,750,000	2.97
8.	Miss Jirawan Chaipongpati	121,897,400	1.87
9.	Mr. Prinyar Prinyamussorn	111,111,111	1.70
10.	Mrs. Thanisorn Thamlikitkul	90,594,000	1.39
	Others	2,380,168,462	36.44
	<b>Total</b>	<b>6,530,871,595</b>	<b>100.00</b>

MORE shall not appoint any representation or director in the Company.

In addition, MORE is prohibited 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, MORE may gradually sell up to 25% of such locked-up shares.

Upon Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in MMD, MORE shall be allocated with 1,655,262,500 newly issued ordinary shares or representing 36.07% of all issued and paid-up shares of the Company after an increase of paid-up capital of the Company. Therefore, MORE triggers the requirement to make a tender offer for all securities of the Company at 25% and is thus required to make a tender offer for all securities of the Company pursuant to the Securities and Exchange Act B.E. 2535 (1992) (as amended) and the Notification of the Capital Market Supervisory Board No. TorJor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers dated May 13, 2011 (as amended).

However, MORE wishes to apply for a waiver from the requirement to make a tender offer for all securities of the Company by virtue of resolution of the Shareholders' Meeting (Whitewash) pursuant to the Notification of the SEC Office No. SorKor. 29/2561 Re: Rules for the Application for Waiver from the Requirement to Make Tender Offer for All Securities of the Business by Virtue of the Shareholders' Meeting Resolution. The waiver from the requirement to make a tender offer for all securities of the Company by virtue of resolution of the Shareholders' Meeting on this occasion requires approval from the Shareholders' Meeting with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote, excluding the votes of the persons under Section 258 of the Securities and Exchange Act B.E. 2535 (1992) (as amended) of the applicant or the concert party of the applicant, and the persons under Section 258 of such party. Please refer to further information in the Details of the Application for Waiver from the Requirement to Make a Tender Offer for All Securities of the Business by virtue of Resolution of the Shareholders' Meeting (Whitewash) (**Enclosure 4**).

### 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:

#### Financial Information

(Unit: Million Baht)	The Company as of June 30, 2021	MMD as of June 30, 2021
Total Assets	345.45	32.96
Intangible Assets	1.69	0.01
Right To Use Leased Assets - Net	89.78	-
Total Liabilities	174.32	7.11
Minority shareholders' equity	18.03	-
Net Tangible Assets	61.63	25.84
Profit (Loss) Net (Latest 4 quarters)	(36.07)	(1.32)

#### Transaction Size Calculation

Criteria	Calculation Formula	Calculation (Million Baht)	Transaction Size
1. Net tangible assets (NTA)	<u>NTA of acquired assets x acquired percentage x 100.0</u> NTA of the Company	<u>25.84 x 99.99% x 100</u> 61.63	41.93%

Criteria	Calculation Formula	Calculation (Million Baht)	Transaction Size
2. Net Operating Profit	$\frac{\text{NTA of acquired assets} \times \text{acquired percentage} \times 100.0}{\text{Net Profit of the Company}}$	Unable to calculate because the Company has losses during the preceding period of 12 months from June 30, 2021	
3. Total Value of Consideration	$\frac{\text{Value of consideration} \times 100.0}{\text{Total assets of the Company}}$	$\frac{1,655.26 \times 0.68^{1/}}{100} \times 345.45$	325.83%
4. Value of shares issued for compensation	$\frac{\text{Number of shares issued for compensation} \times 100.0}{\text{Number of the Company's issued and paid-up shares}}$	$\frac{1,655,262,500 \times 100}{2,933,261,050}$	56.43%

Remark 1/ In case consideration is listed securities, the Company shall compare the market price of securities or NTA by choosing a higher value to calculate. 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 15 consecutive business days during the period from August 20, 2021 to September 9, 2021 equal to THB 0.68 per share (Source: SETSMART from www.setsmart.com).

Upon the calculation of the transaction size based on the total value of consideration relative to the Company's total assets, the transaction value is equal to 325.83%. Upon combination of the Company's transactions involving the acquisition of assets over the past six months which equal to 8.73%, the highest value of the transaction is equal to 334.56% based on the total value of consideration, this transaction is regarded as a type 1 transaction (transaction between two listed companies which is equal to 50% or more) pursuant to the Notifications on Acquisition or Disposition of Assets. The Company is required to comply with the Notifications on Acquisition or Disposition of Assets, including the following matters:

- (1) To prepare and submit a report and disclosure of information memorandum on the Company's transaction to the SET immediately, which must at least contain the information as required in List (1) attached to the Notifications on Acquisition or Disposition of Assets;
- (2) To appoint an independent financial advisor to carry out the relevant functions, including provide its opinions as required by the Notifications on Acquisition or Disposition of Assets and submit the independent financial advisor's report to the shareholders for consideration, together with the invitation letter for the Shareholders. In this regard, the Company has appointed Welcap Advisory Company Limited, which is a financial advisor approved by the SEC Office, as its independent

financial advisor to provide its opinions to the shareholders on the Share Purchase Transaction of MMD; and

- (3) To convene a Shareholders' Meeting of the Company to approve the execution of the Share Purchase Transaction of MMD, by delivering the invitation letter for the Shareholders' Meeting to the shareholders at least 14 days prior to the date of the Shareholders' meeting, with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote.

#### 4. Details of Acquired Assets

General Information of MMD are as follows:

##### (1) General Information

Company Name	More Medical Co., Ltd.
Business Type	Engages in the business of manufacturing and distributing herbal products
Registered Head Office	No. 222/148-150 Soi Vibhavadi Rangsit 17 Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900
Registration No.	0105558030207
Date of Incorporation	February 17, 2015
Registered Capital	THB 100,000,000*
Paid-Up Capital	THB 25,000,000

\*Upon the Board of Directors' Meeting resolved to approve the Share Purchase Transaction of MMD, MMD's registered capital is THB 100,000,000 divided into 1,000,000 shares at a par value of THB 100 per share and paid-up capital of THB 25,000,000. MMD informs that it is in the process of reducing the registered capital to be THB 25,000,000 divided into 250,000 shares at a par value of THB 100 per share. The reduction of registered capital shall be completed by September 2021.

##### (2) List of Shareholders as of September 10, 2021

No.	Name	Current		After Capital Reduction	
		Number of Shares	%	Number of Shares	%
1	More Return Public Company Limited	999,997	99.9997	249,998	99.9992
2	Mr. Ummarit Klomchitcharoen	1	0.0001	1	0.0004

No.	Name	Current		After Capital Reduction	
		Number of Shares	%	Number of Shares	%
3	Mr. Sirisak Piyathassrikul	2	0.0002	1	0.0004
Total		1,000,000	100	250,000	100

## List of Shareholders after the completion of transaction

No.	Name	After Completion of Transaction	
		Number of Shares	%
1	HEMP	249,998	99.9992
2	Mr. Ummarit Klomchitcharoen	1	0.0004
3	Mr. Sirisak Piyathassrikul	1	0.0004
Total		250,000	100

- (3) List of Director as of September 10, 2021

MMD has 1 director namely Mr. Ummarit Klomchitcharoen

- (4) Business of MMD

MMD is engaged in the business of producing food, medicine and herbs. Currently, MMD has signed a Memorandum of Understanding (MOU) with various government agencies as follows:

- Memorandum of Understanding (MOU) Re: manufacture of high quality herbal products, business of high quality herbal products shop under the name "Garaboon" amongst 3 agencies, namely, (1) Department of Thai Traditional and Alternative Medicine, Ministry of Health; (2) Medical Association of Thai Traditional and Complementary Medicine (3) More Medical Co., Ltd. for the purpose of promotion of herbal entrepreneurs and Thai herbal products, promote the sale of Thai herbal products In Thailand and abroad, add value and competitiveness at the international level in the field of herbs, conduct research on products from Thai herbs in order to increase the variety of products, expanding distribution channels through online systems to make it easier to reach customers, collection of herbal products for

sale to increase the potential of Thai herbal products. MMD plans to prepare for the franchise in the future.

2. Memorandum of Understanding (MOU) Re: promotion of the central market for selling Thai herbal raw materials among 4 agencies, namely, (1) Department of Thai Traditional and Alternative Medicine, Ministry of Health; (2) Department of Agriculture Extension, Ministry of Agriculture and Cooperatives; (3) Thai Agro Exchange Co., Ltd. (Talad Thai); and (4) More Medical Co., Ltd. for the purpose of sale promotion, production and use of herbal products, to create a central market of Thai herbal ingredients, create trading areas for buyers and farmers, and develop herbal products to meet international standards.
3. Memorandum of Understanding (MOU) Re: integrated development of medical and health-promoting products from cannabis, hemp and kratom among 3 agencies, namely, (1) More Medical Co., Ltd.; (2) Department of Thai Traditional and Alternative Medicine; and (3) Medical Association of Thai Traditional and Complementary Medicine.
4. Memorandum of Understanding (MOU) Re: cosmetic production between 2 agencies, namely, (1) More Medical Co., Ltd.; (2) Phutapanya Organic Company Limited for the purpose of promote cooperation to produce cosmetics containing hemp extracts and/or commercial CBD extracts under the permission of the relevant government agencies.
5. Memorandum Of Understanding (MOU) Re: cannabis and hemp research and development project between More Medical Co., Ltd. and Maejo University for the purpose of jointly research and develop cannabis and hemp, technology development and propagation innovation cultivation of production for the extraction of substances in hemp and cannabis, seed production, research and development for the use of seeds for food, development of products made from stems, cores and bark with the objectives to be used in medicine, food, cosmetics and commercial industry.
6. Memorandum of Understanding on academic cooperation between More Medical Co., Ltd. and Kasetsart University, Chalermphrakiat Campus, Sakonnakorn Province, for the purpose of jointly develop, research and innovation on addictive plants for medical benefits, to promote health production of extracts or products, and to promote community enterprises or farmers to be able to produce narcotic plants to have quality and standards.

MMD has one subsidiary i.e. Herbal Technology Co., Ltd.



Company Name	Herbal Technology Co., Ltd. (“HBT”)		
Business Type	Production and distribution of traditional medicinal products, herbal products, cosmeceuticals, health and beauty maintenance products and dietary supplements		
Registered Head Office	No. 19 Soi Ramkhamhaeng 22 (Chittranukrao) Ramkhamhaeng Road, Hua Mak, Bang Kapi, Bangkok 10240		
Registration No.	0105563117200		
Date of Incorporation	August 11, 2020		
Registered Capital	THB 10,000,000 divided into 100,000 ordinary shares at a par value of THB 100 per share		
Paid-Up Capital	THB 10,000,000		
List of Shareholders as of August 25, 2021	<u>Name</u>	<u>Shares</u>	<u>(%)</u>
	1. More Medical Co., Ltd.	74,999	75.00
	2. Mr. Watchara Plengsuri	25,000	25.00
	3. Mr. Ummarit Klomchitcharoen	<u>1</u>	<u>-</u>
	Total	<u>100,000</u>	<u>100.00</u>
List of Directors	1. Mr. Watchara Plengsuri 2. Mr. Xutxavi Xivivadh 3. Mr. Pakorn Laopiam		
Financial Information of HBT as of December 31, 2020	<u>List</u>	<u>THB</u>	
	Cash And Cash Equivalents	207,881	
	Total Current Assets	3,477,200	
	Total Non-Current Assets	282,768	
	Total Assets	3,759,968	
	Total Liabilities	1,875,896	
	Total Shareholders' Equity	1,884,072	
	Total Income	2,773,614	
Net Profit (Loss)	(3,615,928)		

## (5) Financial Information of MMD

Statement of financial position (Unit : THB)	December 31, 2018	December 31, 2019	December 31, 2020	June 30, 2021
Cash And Cash Equivalents	236,054.00	2,174,344.00	451,174.00	969,482.14
Net Trade Accounts Receivable	242,000.00	1,180,788.00	432,020.00	1,619,058.17
Total Current Assets	495,563.00	3,355,178.00	10,515,480.00	13,407,573.41
Total Non-Current Assets	28,318,769.00	23,224,688.00	16,926,716.00	19,556,646.98
<b>Total Assets</b>	<b>28,814,332.00</b>	<b>26,579,866.00</b>	<b>27,442,196.00</b>	<b>32,964,220.39</b>
Current Liabilities	2,331,538.00	63,273.00	767,984.00	3,365,820.73
Total Liabilities	2,331,538.00	63,273.00	767,984.00	7,110,086.40
Retained earnings	1,482,794.00	1,516,593.00	1,674,212.00	854,133.99
Shareholders' Equity	26,482,794.00	26,516,593.00	26,674,212.00	25,854,133.99
<b>Total Liabilities and Equity</b>	<b>28,814,332.00</b>	<b>26,579,866.00</b>	<b>27,442,196.00</b>	<b>32,964,220.39</b>

Income Statement (Unit : THB)	December 31, 2018	December 31, 2019	December 31, 2020	June 30, 2021
Revenue from the Sale of Goods	-	-	-	785,495.33
Other income	1,521,366	3,383,058	2,418,095	903,316.18
Total Income	1,521,366	3,383,058	2,418,095	1,688,811.51
Cost of Sales	-	-	-	708,300.00
Selling And Service Expenses	815,895	3,317,091	2,219,056	1,714,245.44
Total Expenses	815,895	3,317,091	2,219,056	2,422,545.44
Interest Expense	10,616	21,062	-	86,344.06
Corporate Income Tax	138,771	11,106	41,420	-
Net Profit	556,084	33,799	157,619	(820,077.99)

## 5. Basis of Calculation of the Value of Consideration

Total consideration value of THB 200,000,000 for an acquisition of 99.99% of total shares in MMD is mutually agreed by the Company and MORE by considering the purchase price together with the appropriate valuation method of MMD which is Discounted Cash Flow Approach, and takes into account the potential and the profitability of the business in the future. The value of the shareholders' equity of MMD is approximately THB 367

Million. The valuation was conducted by Welcap Advisory Company Limited, which is a financial advisor approved by the SEC Office.

The Company's Board of Directors resolved to issue and offer of not exceeding 1,655,262,500 newly issued ordinary shares at an offering price of THB 0.12083 per share, totalling THB 200,000,000, which is mutually agreed between the Company and MORE. Such price is higher than the Company's book value as of June 30, 2021 which is THB 0.05 per share. In this regard, the Company takes into account the current situation that the Company is in the process of adjusting its business plan by slowing down the selling business in the gadgets and focusing on the healthcare & wellness business which is in the initial stage and has not yet can clearly generate profits for the Company. In addition, the upcoming business of MMD will be able to create added value for the Company when combining with the existing business which would create added value for all shareholders.

**6. Expected Benefits to the Company**

- (1) The Company foresees growth opportunities in the healthcare & wellness business e.g. herbal products Thai traditional medicine, pharmaceuticals, cosmetics, beauty products dietary supplement health business. An investment in MMD shall enhance the scope of business of the Company and in accordance with the main objectives and business direction of the company that focuses on herbal and health business;
- (2) The Company will acquire MMD's business in relation to the distribution of Thai herbal and health products and extracts and cooperation contracts with educational institutions and government agencies, including having more than 150 pharmacy alliances across the country. This will be a base for the business of medicinal plants such as hemp, cannabis, ready to continue immediately. Therefore, investing in MMD will increase the opportunity to generate income for the company and profit in the form of dividends;
- (3) Investment in MMD will be able to expand from the Company's health promotion business and can create Value Added to the product and herbal services and further health in the future, from the production and distribution of Thai herbal products and extracts including marijuana - hemp for medical-commercial benefits including consumer and service businesses such as food products and retail medical center health and beauty center. This shall increase the opportunity to generate income and profit for the Company in the future;
- (4) The Company is not dependent on the Company's cash flow or its working capital and the Company does not need to find funding sources for investing in MMD's ordinary shares because the Company

will issue and allocate not more than 1,655,262,500 newly issued ordinary shares of the Company, at a par value of THB 1.00 per share, at an offering price of THB 0.12083 per share, or total value of THB 200 Million by way of private placement as a compensation to the shareholders of MMD which is the management of the Company's investment. This transaction will not affect the working capital of the Company; and

- (5) Business operations can be continued because MORE does not send representative or any director into the Company. Therefore, the directors and the same management can determine the business direction continuously.

However, the Company considers the considerations for entering into the transaction as follows:

- (1) Due to the payment of MMD shares with the Company's newly issued ordinary shares, this causes a dilution effect on the existing shareholders. Nonetheless, MORE shall subject to silent period of the Company's newly issued shares for a period of 1 year. In this regard, comparing between financial liquidity for the future business operation, business operation and returns to shareholders in the future, the Company therefore considers that this section is appropriate;
- (2) Although MORE is only an investor who receives returns from the Company's shares resulting from managing the business for sustainable profits in the future. However, after this transaction, if any transaction is subject to shareholders' meeting of the Company, MORE's stake in the Company has significant implications in determining the future direction of the Company's business in important matters; and
- (3) Upon the execution of this transaction and MMD's business operations are not as expected, the return to the shareholders may not be as expected.

#### **7. Source of Funds/Plan for Use of Proceeds**

In the execution of the Share Purchase Transactions of MMD, the Company shall make payment in the form of not exceeding 1,655,262,500 ordinary shares at a par value of THB 1 per share, whereby the Company shall increase its registered capital and allocate such newly issued ordinary shares by way of private placement to MORE.

#### **8. Conditions for Execution of Transaction**

The significant conditions precedent for the execution of the Shares Purchase Transaction of MMD include the following:

- (1) The Shareholders' Meeting of the Company shall have resolved to approve the Share Purchase Transaction of MMD and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in MMD, including approval on various matters necessary for and/or in connection with such transactions;
- (2) 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 MMD or jeopardize the execution of the Share Purchase Transaction of MMD and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in MMD;
- (3) SEC Office shall have approved the private placement of the newly issued ordinary shares to MORE by way of private placement and a waiver from the requirement to make a tender offer for all securities of the business by virtue of resolution of the shareholders' meeting (Whitewash); and
- (4) The Board of Directors' Meeting and the Shareholders' Meeting of MORE shall have resolved to approve the sale of MMD's shares to the Company, including the execution of the share purchase agreement, and other arrangements, contracts and documents relating to the execution of the Share Purchase Transaction of MMD and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in MMD, as well as any other actions to ensure the successful completion of the Share Purchase Transaction of MMD and the Transaction involving the Share Allocation in Consideration of an Acquisition of Shares in MMD.

In the execution of the transactions, the Company shall proceed with the following tentative timeline, and should there be any change, the Company shall keep the SET updated accordingly:

No.	Procedures	Tentative Date
1.	The Board of Directors' Meetings of the Company shall consider approving the Share Purchase Transaction of MMD	September 10, 2021
2.	The Shareholders' Meetings of the Company shall consider approving the Share Purchase Transaction of MMD	November 26, 2021
3.	The Company shall obtain approval from the SEC Office for the issuance of shares by way of private place as payment in kind for the acquisition of shares in MMD instead of cash payment	December 2021

No.	Procedures	Tentative Date
4.	The Company shall register its registered capital increase with the Ministry of Commerce.	Within 14 days from the date of the resolution of the Shareholders' Meeting
5.	The Company shall offer newly issued ordinary shares by way of private placement with specific purpose of use of proceeds.	By January 2022 (depending on the completion of the conditions precedent under the SPA) within 3 months from the date of the resolution of the Shareholders' Meeting.
6.	The Company shall register 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

#### 9. Opinion of the Board of Directors on the Transaction

The Company's Board of Directors, in which the director who have interest and/or is connected person doesn't in the meeting, resolved to approve entering transaction as it opines that the Share Purchase Transaction of MMD from MORE by compensating with newly issued ordinary shares shall support and enhance the Company to have stable business and increase more efficiency for the Company's business operation. Therefore, the purchase of ordinary shares of MMD, which operates the business of manufacturing and distributing drugs, cosmetics and herbs from MORE, which is a shareholder of MMD without sending a representative or any director into the Company allowing the Company to be able to continuously manage the business operation. Therefore, it is more suitable than a cash acquisition. In addition, the purchase of MMD shares is in line with the Company's business strategy which focusing on the health business and focusing on expanding investments to increase the Company's growth potential in the long term as well.

Therefore, the Company's Board of Director opines that Share Purchase Transaction of MMD and Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in MMD in which the Company shall receive 99.99% of MMD's issued and paid-up shares, is appropriate and bring the best benefit to the Company's shareholders. Also, the value of the transaction is reasonable and worth in term of the business. In view of this, the Board of Directors opine that the transaction is reasonable and has sufficient reason for entering

into this transaction. Thus, the Board of Directors opines that the Extraordinary General Meeting of Shareholders No. 2/2021 should approve all agendas relating to the Share Purchase Transaction of MMD and the capital increase and allocation of newly issued ordinary share by way of private placement.

The Board of Directors viewed that the proposed consideration by way issuing of private placement , with a resolution to issue and offer of not exceeding 1,655,262,500 newly issued ordinary shares at an offering price of THB 0.12083 per share, totalling THB 200,000,000, which is mutually agreed between the Company and MORE by determining the offering price lower than 90% of the market price is justifiable upon comparison with appraisal price by comparing the Company's book value as of June 30, 2021 which equal to THB 0.05 per share. In this regard, the Company takes into account the current situation that the Company is in the process of adjusting its business plan by slowing down the selling business in the gadgets and focusing on the healthcare & wellness business which is in the initial stage and has not yet can clearly generate profits for the Company. In addition, the upcoming business of MMD will be able to create added value for the Company. This is because MMD engages in the business of manufacturing and trading of the herbal products including cannabis and hemp and the related products which is currently in a good trend and popular business. Also, MMD's business is different from the business of the new subsidiary of the Company which is incorporated on 31 August 2021, namely Medical Empire Co., Ltd. Such new subsidiary engages in the business of Thai Traditional Medicine Clinic, Alternative Medicine and Wellness and Spa. Therefore, we belvie that when combining this new business with the existing business which would create added value for all shareholders. In addition, the Company is able to provide funding sources as needed to expand the business according to the business plan. Under the current economic and capital market conditions including the conditions of the offer, such as prohibiting the sale of shares within a silent period ii case the offer for sale at a price lower than the market price according to the applicable laws announced by SET.

**10. Opinion of the Audit Committee and/or Directors which is different from the Board of Directors' Opinion**

-None-

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

Please be informed accordingly.

Sincerely yours,

( Mr. Samart Chuasiriphattana )

Director and CEO

Information Memorandum regarding the Offering and Allocation of Newly Issued Ordinary Shares of Health Empire Corporation Public Company Limited to (i) More Return Public Company Limited which is a private placement investor and (ii) to accommodate the Exercise of the Warrants to Purchase Ordinary Shares of Health Empire Corporation Public Company Limited [Series 2 \(HEMP-W2\)](#)

The Board of Directors' Meeting No.8/2021 of Health Empire Corporation Public Company Limited (the "Company"), which was held on September 10, 2021, resolved to propose that the Shareholders' Meeting consider and approve an increase of the Company's registered capital by THB 3,949,524,275 from the current registered capital of THB 2,933,261,050 to be THB 6,882,785,325 by issuing not exceeding 3,949,524,275 newly issued ordinary shares at a par value of THB 1.00 per share by offering (1) 1,655,262,500 shares by way of private placement to More Return Public Company Limited ("MORE") as a payment for acquisition of shares transaction of More Medical Company Limited ("MMD") instead of cash payment; and (2) 2,294,261,775 shares (before the change of the par value by way of reverse stock split and the reduction of the capital to write off accumulated losses) to accommodate the exercise of the warrants to purchase ordinary shares of the Company [Series 2 \(HEMP-W2\)](#) (the "[HEMP-W2 Warrants](#)") for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Rights Offering).

The details of the offering of the Company's newly issued shares by way of private placement and for accommodate the exercise of the [HEMP-W2 Warrants](#) for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Rights Offering) are as follows:

**1. Details of the Offering of Newly Issued Ordinary Shares**

**1.1 Offering and Allocation Newly Issued Ordinary Shares by way of Private Placement**

The Board of Directors' Meeting No. 8/2021 of the Company has resolved to approve the increase of the Company's registered capital by THB 3,949,524,275 from the current registered capital of THB 2,933,261,050 to be THB 6,882,785,325 and allocate newly issued ordinary shares not exceeding 1,655,262,500 shares with a par value of THB 1.00 per share at the offering price of 0.12083 per share which the total amount shall not exceed THB 200,000,000 by way of private placement to MORE as payment for acquisition of shares transaction of MMD in the amount of 249,998 shares with a par value of THB 100 per share (representing 99.99% of MMD's registered and paid-up shares).

On the Board of Directors' meeting date approving the Share Purchase Transaction of MMD, MMD's registered capital is THB 100,000,000 divided into 1,000,000 shares at a par value of THB 100 per share and paid-up capital of THB 25,000,000. MMD informs that it is in the process of reducing the registered capital to be THB



25,000,000 divided into 250,000 shares at a par value of THB 100 shares. The reduction of registered capital shall be completed by September 2021.

Upon comparison between the fair value of MMD at 99.99% of all issued and paid-up shares which approximately equal to THB 367 Million and that of the Company by reference to Discounted Cash Flow Approach as the valuation method which conducted by Welcap Advisory Company Limited, which is a financial advisor approved by the Office of the Securities and Exchange Commission (the "SEC Office"), the Board of Directors resolved to propose that the Shareholders' Meeting consider and approve the issuance and allocation of not exceeding 1,655,262,500 newly issued ordinary shares at a par value of THB 1.00 per share by way of private placement to MORE, at an offering price of THB 0.12083, totalling THB 200,000,000, as payment in kind for the acquisition of shares in MMD instead of cash, representing 36.07% 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 Purchase Transaction of MMD) (the "Transaction on Share Allocation in Consideration of the Acquisition of Shares in MMD").

The Company's Board of Directors resolved to issue and offer of not exceeding 1,655,262,500 newly issued ordinary shares at an offering price of THB 0.12083 per share, totalling THB 200,000,000, which is mutually agreed between the Company and MORE. Such price is higher than the Company's book value as of June 30, 2021 which is THB 0.05 per share. In this regard, the Company takes into account the current situation that the Company is in the process of adjusting its business plan by slowing down the selling business in the gadgets and focusing on the healthcare & wellness business which is in the initial stage and has not yet can clearly generate profits for the Company. In addition, the upcoming business of MMD will be able to create added value for the Company when combining with the existing business which would create added value for all shareholders.

The Share Purchase Transaction of MMD is regarded as business transfer transaction pursuant to Section 107(2)(a) of the Public Limited Companies Act B.E. 2535 (1992) (as amended) (the "Public Limited Companies Act"), therefore, the Company is required to obtain approval for the Share Purchase Transaction of MMD from the Shareholders' Meeting of the Company, with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote.

Nonetheless, the Company has accumulated losses shown in the financial statements as of June 30, 2021. Thus, the Company is able to determine the offering price of the Company's newly issued ordinary shares lower than the Company's par value. In this connection, the Company must comply with Section 52 of the Public Limited Companies Act.

The issuance and allocation of newly issued ordinary shares in consideration of the acquisition of shares in MMD to MORE above constitute a private placement of newly issued ordinary shares whereby the Shareholders' Meeting of the Company shall pass a resolution to specifically determine the offering price at THB 0.12083 per share, which is lower than 90% of the market price of the Company's shares pursuant to Notification No. TorJor. 72/2558. The Company determined the price discount at 82.23% of the market price, which is more than 10% of the market price, and is considered as the offering of newly issued ordinary shares at a price lower than the market price under the Notification No. TorJor. 72/2558. Therefore, the Company shall obtain approval from the Shareholders' Meeting with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote and also not more than an aggregate of 10% or more of the total votes of the shareholders present at the Meeting and entitled to vote object the offering at such price. The Company shall obtain approval from the Shareholders' Meeting for the offering and issuance of newly issued shares. The Company must also obtain approval from the Office of the Securities and Exchange Commission (the "SEC Office") pursuant to the Notification No. TorJor. 72/2558 prior to the offering and allocation of the Company's newly issued ordinary shares.

The market price for the issuance of the newly issued ordinary shares to be allocated to MORE calculated from the weighted average price of the Company's shares being traded on the Stock Exchange of Thailand ("SET") over the past 15 consecutive business days before the date of this Board of Directors' Meeting resolved to approve to propose to the shareholders' meeting of the Company to consider and approve the issuance and allocation of the newly issued ordinary shares to MORE, which is the private placement investor, namely from August 20, 2021 to September 9, 2021, which is equal to THB 0.68 (Information from SETSMART pursuant to www.setsmart.com).

Moreover, if the offering price of the newly issued ordinary shares to MORE is lower than 90% of the market price of the Company's shares before the first date of offering of the newly issued ordinary shares, the Company is obliged to prohibit MORE 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, MORE may gradually sell up to 25% 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).

As a result, MORE, which is the private placement investor, shall receive 1,655,262,500 newly issued ordinary shares, representing 36.07% of all issued and paid-up shares of the Company after an increase of paid-up capital. Therefore, MORE triggers the requirement to make a tender offer for all securities of the Company at 25% and is thus required to make a tender offer for all securities of the Company pursuant to the Securities and

Exchange Act B.E. 2535 (1992) (as amended) and the Notification of the Capital Market Supervisory Board No. TorJor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers dated May 13, 2011 (as amended).

However, MORE wishes to apply for a waiver from the requirement to make a tender offer for all securities of the Company by virtue of resolution of the Shareholders' Meeting (Whitewash) pursuant to the Notification of the SEC Office No. SorKor. 29/2561 Re: Rules for the Application for Waiver from the Requirement to Make Tender Offer for All Securities of the Business by Virtue of the Shareholders' Meeting Resolution. The waiver from the requirement to make a tender offer for all securities of the Company by virtue of resolution of the Shareholders' Meeting on this occasion requires approval from the Shareholders' Meeting with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote, excluding the votes of the persons under Section 258 of the Securities and Exchange Act B.E. 2535 (1992) (as amended) of the applicant or the concert party of the applicant, and the persons under Section 258 of such party. Please refer to additional details in the Capital Increase Report Form (F 53-4) (**Enclosure 3**).

The Company anticipates that the Share Purchase Transaction of MMD shall be completed by January 2022 (depending on the completion of the conditions precedent under the SPA) and after the Shareholders' Meeting shall have resolved to approve the Share Purchase Transaction of MMD and Transaction on Share Allocation in Consideration of the Acquisition of Shares in MMD, including an approval on various matters necessary for and/or in connection with such transactions.

In addition, the Board of Directors' Meeting resolved to propose that the Shareholders' Meeting consider and authorize the Board of Directors or the Executive Committee or the Chief Executive Officer or the person authorized by the Board of Directors or the Executive Committee or the Chief Executive Officer 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, 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; and

Pursuant to Notification No. TorJor. 72/2558, the Company is required to complete the share offering within the period as approved by the Shareholders' Meeting, but not exceeding 3 months from the date the Shareholders' Meeting passes its resolution to approve the offering of the newly issued ordinary shares.

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

- (1) Name and Information of Specific Investor for the Offering and Allocation of Newly Issued Ordinary Shares

Name	Number of Allocated Shares (shares)	Offering Price (THB per share)	Total (THB)
More Return Public Company Limited	1,655,262,500	0.12083	200,000,000

**Name:** More Return Public Company Limited

**Details:** More Return Public Company Limited is incorporated under the laws of Thailand, with its head office located at No. 222/148-150, Baan Suan Chatuchak Condominium, Soi Vibhavadi Rangsit 17 Vibhavadi Rangsit Road, Chatuchak Sub-district, Chatuchak District Bangkok 10900.

MORE's registered capital is THB 503,793,579.75, divided into 10,075,871,595 shares at the par value of THB 0.05 per share, and 326,543,579.75 paid-up capital, divided into 6,530,871,595 shares at the par value of THB 0.05 per share as of March 15, 2021.

## (2) Major shareholders of MORE as of March 15, 2021

No.	Name of shareholders	Number of shares	Shareholding (percent)
1.	Mr. Ummarit Klomchitcharoen	1,507,200,165	23.08
2.	Mr. Sirisak Piyathassrikul	732,862,800	11.22
3.	Mr. Wasant Chawla	456,748,000	6.99
4.	Mr. Apimuk Bamroongwongse	333,333,333	5.10
5.	Thai NVDR Company Limited	319,206,259	4.89
6.	Mr. Samart Chuasiriphattana	284,000,065	4.35
7.	UOB Kay Hian Private Limited	193,750,000	2.97
8.	Miss Jirawan Chaipongpati	121,897,400	1.87
9.	Mr. Prinyar Prinyarnussom	111,111,111	1.70
10.	Mrs. Thanisorn Thamlikitkul	90,594,000	1.39
	Others	2,380,168,462	36.44
	<b>Total</b>	<b>6,530,871,595</b>	<b>100.00</b>

However, neither directors nor major shareholders of MORE are regarded as connected person with the Company or (1) the director and the executive of the Company (2) the person having control over the Company (3) major shareholder of the Company or (4) other juristic person which the person under (1) (2) or (3) is major shareholder or has control. Therefore, MORE is not regarded as the Connected Person of the Company under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions dated August 21, 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).

## (3) List of Directors of MORE as of September 10, 2021

No.	List of Directors	Position
1.	Pol. Maj. Gen. Lattasanya Piansomparn	Chairman of the Board of Directors / Independent Director / Chairman of the Audit Committee
2.	Mr. Ummarit Klomchitcharoen	Chief Executive Officer and the President / Director
3.	Mr. Sirisak Piyathassrikul	Director
4.	Mr. Chattaphum Khantiviriya	Director
5.	Mr. Somchai Wongsabsin	Independent Director / Audit Committee
6.	Mr. Poravich Opas	Independent Director / Audit Committee
7.	Mr. Arichai Racktham	Independent Director
8.	Mr. Patbodee Chomwong	Independent Director

### 1.2 Offering and Allocation Newly Issued Ordinary Shares for accommodate the exercise of the [HEMP-W2 Warrants](#)

The Board of Directors' Meeting No. 4 /2021 of the Company has resolved to approve the allocation of not exceeding 2,294,261,775 newly issued ordinary shares with a par value of THB 1.00 per share (calculated on the number of shares before the change of the par value by way of reverse stock split and the reduction of the capital to write off accumulated losses) to accommodate the exercise of the [HEMP-W2](#) warrants at the ratio of 2 existing ordinary shares to 1 unit of the [HEMP-W2](#) warrants issued to the Company's existing shareholders in proportion to their shareholding percentage (the allocation ratio is calculated from the number of shares after the change of the par value), at the offering price of the [HEMP-W2](#) Warrants at THB -0.00- per unit, and any fraction of such shares shall be discarded. The exercise price is THB 15.00 per share which the Company considers from the plan for using the money in the future as discussed in No. 2(2). Please refer to further details in the Summary of Preliminary Details of the Warrants to Purchase Ordinary Shares of Health Empire Corporation Public Company Limited [Series 2 \(HEMP-W2\)](#) (Enclosure 5).

Should there be any fraction of the [HEMP-W2](#) Warrants remaining from the calculation at the allocation ratio, such fraction shall be discarded, whereby the right to be allocated with the [HEMP-W2](#) Warrants shall remain uncertain until approved by the Extraordinary General Meeting of Shareholders No 2/2021. Upon completion of the registration for change of the par value of the Company's shares and the capital reduction to compensate for accumulated losses, the number of its registered capital and the number of the ordinary shares to accommodate the exercise of the [HEMP-W2](#) Warrants will be amended to be in line with the change of the par value of the Company's shares to the new registered capital and par value, as per the following details:

	<u>Before</u> change of par value (THB)	<u>After</u> change of par value (THB)	<u>After</u> capital reduction by way of reducing par value (THB)
Registered capital	6,882,785,325	6,882,785,325	533,549,250
Par value	1	12.90	1
Number Of Registered Shares	6,882,785,325	533,549,250	533,549,250
Number of newly issued shares for accommodate the exercise of the <a href="#">HEMP-W2</a> Warrants	2,294,261,775	177,849,750	177,849,750

In order to allocate newly issued ordinary shares to accommodate the exercise of the [HEMP-W2](#) Warrants, the Board of Directors has considered authorizing the Board of Directors or the Executive Committee or the Chief Executive Officer or any other person appointed and assigned by the Board of Directors or the Executive Committee or the Chief Executive Officer shall be authorized to determine or change details and conditions as necessary for and/or in connection with the issuance and allocation of the [HEMP-W2](#) Warrants in all respects, including the power to take any relevant or necessary actions as appropriate to ensure the successful issuance and offering of the [HEMP-W2](#) Warrants, subject to the requirements of applicable laws and the scope of approval by the Extraordinary General Meeting of Shareholders, the details of which include, but are not limited to:

- (1) preparation of the terms and conditions of the [HEMP-W2](#) Warrants, including determination of details relating to the issuance and offering of the [HEMP-W2](#) Warrants, etc.;

- (2) provision of information, contact, preparation, execution, delivery, submission of documents as necessary for or in connection with the issuance and offering of the [HEMP-W2](#) Warrants to the SEC Office, SET, Thailand Securities Depository Co., Ltd., Ministry of Commerce and other relevant authorities or persons;
- (3) listing of the [HEMP-W2](#) warrants and of the ordinary shares arising from the exercise of the [HEMP-W2](#) Warrants on the SET;
- (4) appointment of sub-attorney-in-fact to have the power to take any action as necessary and appropriate in relation to the issuance and offering of the [HEMP-W2](#) Warrants to ensure the successful issuance and allocation of the [HEMP-W2](#) Warrants in all respects;
- (5) registration for change of the paid-up capital with the Department of Business Development, Ministry of Commerce, with the power to take all necessary action in accordance with the Registrar's order to complete the registration; and
- (6) scheduling and change of the record date to determine the list of shareholders entitled to be allocated the [HEMP-W2](#) Warrants.

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

The issuance of the newly issued shares on this occasion is for the purpose as follows:

- (1) As payment for acquisition of shares in MMD, and as a result, the Company shall acquire 249,998 ordinary shares at the par value of THB 100 per share of MMD (or representing 99.99% of MMD's registered and paid-up shares) which the Company shall compensate MORE for the Acquisition of Shares in MMD Transaction in from of not exceeding 1,655,262,500 newly issued ordinary shares of the Company.
- (2) To prepare for and ensure its financial flexibility for business expansion in the future and as working capital in its business operations upon exercise of rights to purchase ordinary shares under the [HEMP-W2](#) Warrants.

(2.1) Working capital and expansion of investment in related business, with budget around 1,040 million Baht.



(2.2) Business of cultivation of hemp, marijuana, kratom and other herbs, with budget around 400 million Baht which plans to start in 2022. The Company plans to have subsidiary to operate such business in the form of Indoor and Outdoor cultivation which may work together with any educational institution and government agency both in the present and in the future.

(2.3) Business of manufacturing and distribution including analysis and research, extracting and development of extraction and herbal products, with budget around 700 million Baht which plans to start in 2022. Such budget comprises of the investment in extraction plant around 100 million Baht, in Laboratory and research around 100 million Baht, in development of products around 500 million Baht which separate into 3 parts namely the medicine, food supplement as well as food and beverage. Food and beverage could be divided into 4 sub-categories namely the general people, patients, elderly and children. The Company plans to have subsidiary to operate such business which may work together with any educational institution and government agency both in the present and in the future.

(2.4) Business of medical and health, with budget around 525 million Baht which plans to start in 2022 or might be adapted depend on the situation. This business is comprised of Thai tradition medicine and applied Thai tradition medicine clinic, Senior rehabilitation center, Wellness center/ Anti-aging). The Company plans to expand the branched in the future. The Company plans to have subsidiary to operate such business which may work together with any educational institution and government agency both in the present and in the future.

(2.5) Business of Wellness & Spa. Slim Wellness Asia Co., Ltd. the subsidiary of HEMP, with a registered capital of 40 million Baht. HEMP holding 51% in such company. Slim Wellness Asia Co., Ltd. is engaged in the business of beauty clinic which is in line with the new business strategy of the company. Asia Miracle Trading Corporation Co., Ltd., with a registered capital of 1 million Baht. Slim Wellness Asia Co., Ltd. holding 100% in Asia Miracle Trading Corporation Co., Ltd. The objective of this company is to expand the related products. The company has reported the establishment of the 2 subsidiaries to the Stock Exchange of Thailand on 30 March 2021. In addition, The aforesaid companies may operate under the relevant any Agreement and/or Project and/or Memorandum of Understanding in the future.

The Company plans to operate aforesaid business on behalf of project and/or cooperation of subsidiaries. Moreover, The company also plans to expand the business of MMD namely the

business of manufacturing of food, medicine and herb where there are fully signed MOU with related juristic persons as detail following

(A) Project and/or co-investment in subsidiaries as following

- 1) Hemp Space project - cultivate in Evaporation system with budget 120 million Baht operated by More Medical Co., Ltd. More Medical Co., Ltd. plans to rent 24 Rai land, located in Pak Chong District, Nakhon Ratchasima Province, from Film and Broadcasting Intermedia Co., Ltd. The target in this project is to grow the plant with high quality to obtain medical grade products by experts who will design, control of constructing and planting.
- 2) Hemp Seed Oil Project – cultivation of hemp in Outdoor for collecting seeds to extract the oil and protein. The Company plans to work together with Agricultural Cooperative and/or Community Enterprise for entering into any agreement with the purpose of support and applying for permission to plant hemp with relevant government agencies.
- 3) Hempseed Project – the Company plans to import, distribute of hemp seeds under the permission from relevant government agencies.
- 4) Kanabis Club Co., Ltd. where is co-investment between More Medical Co., Ltd. 50% and Kantana Group PCL. 50%. with registered capital 5 million Baht. The objective of such company is to engaged in business of cultivation of hemp, Cannabis, Kratom and any herbs in the Evaporation system and Green House system.
- 5) RWC Project – the Prototype project by Medical Empire Co., Ltd., the subsidiary of HEMP in the proportion of 65% equal to 6.5 million Baht from 10 million Baht. The objective is to engagement in business of Thai tradition medicine and applied Thai tradition medicine clinic, Wellness & Spa which is in line with the new business strategy of the Company. In this project will be divided into 3 parts namely (1) Retreat Wellness Center (2) Medical Services Clinic and (3) Online & Offline Retail Shop under consultation from specialized doctor and executive who is certified by Ministry of Public Health. The company has reported the establishment of the subsidiary to the Stock Exchange of Thailand on 30 March 2021.
- 6) Telemedicine project is the system for monitoring and treating service especially by Thai traditional and alternative medicine. The company is developing platform in accordance with the

law, HIS and PDPA. Moreover, the Company is now considering of establish new subsidiary to operate this project.

- 7) Care giver - A hospital for the rehabilitation of the elderly from various medical procedures and physical integration. It is not only a rehabilitation but also a service facility for the elderly who are retired. The Company and Naresuan University, Faculty of Public Health, are in the process of planning and discussing of various strategies.

(B) Plans to continue to grow MMD's existing business, it is engaged in the business of producing food, medicine and herbs. Currently, MMD has signed a Memorandum of Understanding (MOU) with various government agencies as follows:

1. Memorandum of Understanding (MOU) Re: manufacture of high quality herbal products, business of high quality herbal products shop under the name "Garaboon" amongst 3 agencies, namely, (1) Department of Thai Traditional and Alternative Medicine, Ministry of Health; (2) Medical Association of Thai Traditional and Complementary Medicine (3) More Medical Co., Ltd. for the purpose of promotion of herbal entrepreneurs and Thai herbal products, promote the sale of Thai herbal products In Thailand and abroad, add value and competitiveness at the international level in the field of herbs, conduct research on products from Thai herbs in order to increase the variety of products, expanding distribution channels through online systems to make it easier to reach customers, collection of herbal products for sale to increase the potential of Thai herbal products. MMD plans to prepare for the franchise in the future.
2. Memorandum of Understanding (MOU) Re: promotion of the central market for selling Thai herbal raw materials among 4 agencies, namely, (1) Department of Thai Traditional and Alternative Medicine, Ministry of Health; (2) Department of Agriculture Extension, Ministry of Agriculture and Cooperatives; (3) Thai Agro Exchange Co., Ltd. (Talad Thai); and (4) More Medical Co., Ltd. for the purpose of sale promotion, production and use of herbal products, to create a central market of Thai herbal ingredients, create trading areas for buyers and farmers, and develop herbal products to meet international standards.
3. Memorandum of Understanding (MOU) Re: integrated development of medical and health-promoting products from cannabis, hemp and kratom among 3 agencies, namely, (1) More Medical Co., Ltd.; (2) Department of Thai Traditional and Alternative Medicine; and (3) Medical Association of Thai Traditional and Complementary Medicine.

4. Memorandum of Understanding (MOU) Re: cosmetic production between 2 agencies, namely, (1) More Medical Co., Ltd.; (2) Phutapanya Organic Company Limited for the purpose of promote cooperation to produce cosmetics containing hemp extracts and/or commercial CBD extracts under the permission of the relevant government agencies.
5. Memorandum Of Understanding (MOU) Re: cannabis and hemp research and development project between More Medical Co., Ltd. and Maejo University for the purpose of jointly research and develop cannabis and hemp, technology development and propagation innovation cultivation of production for the extraction of substances in hemp and cannabis, seed production, research and development for the use of seeds for food, development of products made from stems, cores and bark with the objectives to be used in medicine, food, cosmetics and commercial industry.
6. Memorandum of Understanding on academic cooperation between More Medical Co., Ltd. and Kasetsart University, Chalermphrakiat Campus, Sakonnakorn Province, for the purpose of jointly develop, research and innovation on addictive plants for medical benefits, to promote health production of extracts or products, and to promote community enterprises or farmers to be able to produce narcotic plants to have quality and standards.

In addition, projects and/or joint ventures and/or memorandums and/or cooperation (MOUs) as mentioned above May be added or changed/edited due to circumstances and other factors . that may occur in the future, which the Company will report on additions or changes / corrections or progress to the Stock Exchange of Thailand

- (3) However, the number of newly issued ordinary shares to be exercised under the [HEMP-W2 Warrants](#) and actual payments may be less than the number of shares intended to be offered by the Company, and as such, the Company may receive less proceeds than planned, in which case, the Company's plan for use of proceeds may be different from the plan for use of proceeds as specified above.

### 3. Potential Impact on Shareholders from Issuance and Offering of Newly Issued Shares

#### 3.1 Potential Impact on Shareholders from Issuance and Offering of Newly Issued Shares by way of Private Placement

##### (1) Price Dilution

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

$$= \frac{0.68 - 0.48}{0.68}$$

$$= 29.41 \text{ percent}$$

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 15 consecutive business days prior to the date the Board of Directors passed its resolution to propose this matter to the Extraordinary General Meeting of Shareholders' No. 2/2021 which is equal to THB 0.68 per share (Source: SETSMART from [www.setsmart.com](http://www.setsmart.com)).

Market Price after Offering's Formula

$$= \frac{(\text{Number of Paid-Up Shares} \times \text{Market Price before offering}) + (\text{Number of Newly Shares} \times \text{Offering Price})}{(\text{Number of Paid-Up Shares} + \text{Number of Newly Shares})}$$

$$= \frac{(2,933,261,050 \times 0.68) + (1,655,262,500 \times 0.12083)}{(2,933,261,050 + 1,655,262,500)}$$

$$= 0.48 \text{ Baht per share}$$

(2) Control Dilution

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

$$= \frac{1,655,262,500}{2,933,261,050 + 1,655,262,500}$$

$$= 36.07 \text{ percent}$$

(3) Earnings per Share Dilution

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

(4) Worthiness for the shareholders relative to earnings per share dilution or control dilution

Upon comparison between the benefits from the offering and the allocation of newly issued ordinary shares for accommodate the acquisition of shares in MMD and Price Dilution, Control Dilution and Earnings per

Share Dilution as described above, the Board of Directors is of the view that the offering and allocation of newly issued ordinary shares for accommodate the acquisition of shares in MMD on this occasion is justifiable and in benefits to shareholders more than such impacts since the acquisition of shares in MMD shall benefits to the Company and its shareholders as follows:

- (1) The Company foresees growth opportunities in the healthcare & wellness business e.g. herbal products Thai traditional medicine, pharmaceuticals, cosmetics, beauty products dietary supplement health business. An investment in MMD shall enhance the scope of business of the Company and in accordance with the main objectives and business direction of the company that focuses on herbal and health business;
- (2) The Company will acquire MMD's business in relation to the distribution of Thai herbal and health products and extracts and cooperation contracts with educational institutions and government agencies, including having more than 150 pharmacy alliances across the country. This will be a base for the business of medicinal plants such as hemp, cannabis, ready to continue immediately. Therefore, investing in MMD will increase the opportunity to generate income for the company and profit in the form of dividends;
- (3) Investment in MMD will be able to expand from the Company's health promotion business and can create Value Added to the product and herbal services and further health in the future, from the production and distribution of Thai herbal products and extracts including marijuana - hemp for medical-commercial benefits including consumer and service businesses such as food products and retail medical centre health and beauty centre. This shall increase the opportunity to generate income and profit for the Company in the future;
- (4) The Company is not dependent on the Company's cash flow or its working capital and the Company does not need to find funding sources for investing in MMD's ordinary shares because the Company will issue and allocate not more than 1,655,262,500 newly issued ordinary shares of the Company, at a par value of THB 1.00 per share, at an offering price of THB 0.12083 per share, or total value of THB 200 Million by way of private placement as a compensation to the shareholders of MMD which is the management of the Company's investment. This transaction will not affect the working capital of the Company; and
- (5) Business operations can be continued because MORE does not send representative or any director into the Company. Therefore, the directors and the same management can determine the business direction continuously.

However, the Company considers the considerations for entering into the transaction as follows:

- (1) Due to the payment of MMD shares with the Company's newly issued ordinary shares, this causes a dilution effect on the existing shareholders. Nonetheless, MORE shall subject to silent period of the Company's newly issued shares for a period of 1 year. In this regard, comparing between financial liquidity for the future business operation, business operation and returns to shareholders in the future, the Company therefore considers that this section is appropriate;
- (2) Although MORE is only an investor who receives returns from the Company's shares resulting from managing the business for sustainable profits in the future. However, after this transaction, if any transaction is subject to shareholders' meeting of the Company, MORE's stake in the Company has significant implications in determining the future direction of the Company's business in important matters; and
- (3) Upon the execution of this transaction and MMD's business operations are not as expected, the return to the shareholders may not be as expected.

**3.2 Potential Impact on Shareholders from Issuance and Offering of Newly Issued Shares for Exercise of the HEMP-W2 Warrants**

As the issuance and offering of the HEMP-W2 Warrants shall conduct after the issuance and offering of newly issued ordinary shares by way of private placement in the amount of 1,655,262,500 shares and upon completion of the registration for change of the par value of the Company's shares and the capital reduction to compensate the accumulated loss, the number of its registered capital and the number of the ordinary shares to accommodate the exercise of the HEMP-W2 Warrants will be amended to be in line with the change of the par value of the Company's shares to the new registered capital and par value as mentioned in Item 1.2 above. Therefore, the potential impact on shareholders from issuance and offering of newly issued shares for exercise of the HEMP-W2 Warrants shall be calculated upon the completion of such situation.

(1) Price Dilution

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

$$= \frac{(0.48 \times 12.90) - 9.11}{0.48 \times 12.90}$$

= (47.17) percent

= No effect on the company's share price (Price Dilution) due to the market price after offering more than the market price before offering.

The market price before offering refers to the weighted average price of the Company's shares listed on the SET after the allocation of newly ordinary shares by way of private placement which is equal to THB 0.48 per share as calculated in Item 3.1(1) above multiply with par value (after reverse stock split) of THB 12.90 per share. As a result, the number of paid-up shares to decrease and affects the market price. (Although there will be a reduction of the registered capital by changing the par value from THB 12.90 per share to THB 1.00 per share to compensate accumulated losses but the number of paid-up shares remains the same, therefor, this does not affect the market price)

Market Price after Offering's Formula

$$= \frac{(\text{Number of Paid-Up Shares} \times \text{Market Price before offering}) + (\text{Number of Newly Shares} \times \text{Offering Price})}{(\text{Number of Paid-Up Shares} + \text{Number of Newly Shares})}$$

$$= \frac{((2,933,261,050 + 1,655,262,500) \times 0.48) + (2,294,261,775 / 12.90 \times 15.00)}{(2,933,261,050 + 1,655,262,500 + 2,294,261,775) / 12.90}$$

= THB 9.11 per share

(2) Control Dilution

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

$$= \frac{2,294,261,775}{2,933,261,050 + 1,655,262,500 + 2,294,261,775}$$

= 33.33percent

(3) Earnings per Share Dilution

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



- (4) Worthiness for the shareholders relative to earnings per share dilution or control dilution

The Board of Directors considered and viewed that the issuance and offering of the [HEMP-W2 Warrants](#) will be more beneficial to the shareholders than the earnings per share dilution or control dilution because once the shareholders exercise the [HEMP-W2 Warrants](#), the Company will derive proceeds as its working capital to support the Company's operations, which will help strengthen the Company's financial structure and debt to equity ratio in the long run, and help enhance the financial flexibility in the implementation of future projects in the interest of the shareholders as a whole, and ensure confidence in its business operations and promote the Company's image to attract more investors.

**4. Opinion of the Board of Directors**

**4.1 Rationale and Necessity for Capital Increase and Justifications of the Capital Increase**

The Board of Directors is of the view that the Company necessary to increase registered capital and issuing new ordinary share for the purpose of (1) payment for an acquisition of shares in MMD which MORE shall pay with 249,998 shares in MMD at a par value of THB 100 per share as payment in kind for the Company's newly issued ordinary shares instead of cash payment. Should the Company find another source of capital by other means, e.g., by borrowing of a loan, it may result in greater financial burden to the Company; and (2) to accommodate the exercise of the warrants to purchase ordinary shares of the [HEMP-W2 Warrants](#) for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Right Offering). Thus, the Company shall be able to raise funds within a short period of time and enhance the Company's opportunity to invest in businesses that generate good returns. The Company plans to use the proceeds from the capital increase for the purposes as described in Item 2 above.

**4.2 Possibility of the Plan for Use of Proceeds and Sufficiency of the Source of Fund**

The Board of Directors are initially expects that the issuance and offering of newly issued ordinary shares by way of private placement in consideration of the acquisition of shares in MMD transaction to MORE in accordance with the acquisition of shares plan in MMD between the Company and MORE and the Company will derived the capital from the issuance and offering of the [HEMP-W2 Warrants](#) for the purpose as described in Item 2 above, the Acquisition of Shares in MMD and the Transaction on Share Allocation in Consideration of the Acquisition of Shares in MMD shall be completed within January 2022 or other day which is mutually agreed by the Company and MORE (depending on the completion of the conditions precedent under the Share Sale and Purchase Agreement).

**4.3 Reasonableness of the Capital Increase, Plan for Use of Proceeds from the Share Offering and Adequacy of Funding Source in respect of the Proceeds from the Share Offering are Not Cover Total Budget Required to Implementation**

After the Company's study of the justifications and benefits from the acquisition of shares in MMD and the Transaction on Share Allocation in Consideration of the Acquisition of Shares in MMD as described above, the Board of Directors is of the view that this capital increase is justifiable and in the best interests of the Company. However, should the Company wishes to seek the source of funds in various projects for the best interests of the Company, particularly the issuance and offering of shares at the price of THB 0.12083 per share, which is lower than the market price, whereby the weighted average price of the Company's shares calculated for the past 15 consecutive business days during the period from August 20, 2021 to September 9, 2021 is equal to THB 0.68 per share (Source: SETSMART from [www.setsmart.com](http://www.setsmart.com)) in consideration of MMD's ordinary shares which is certainly generate a steady cash flow with a promising future. Should the Company secure its funds by other means instead of the capital increase, such as, borrowing of loan, the potential loan may remain uncertain and may incur additional loan burdens, and as a result, the existing shareholders are obliging to conduct the payment for newly issued shares which is more rigid than the capital increase by way of private placement, etc.

Furthermore, the Board of Directors are of the opinion that the issuance and offering of the [HEMP-W2](#) Warrants on this occasion are justifiable and in the best interests of the shareholders. Since the Company plans to use such proceeds from the capital increase for the purposes as described in Item 2 above. Should the shareholders exercise their rights to purchase newly issued ordinary shares under the [HEMP-W2](#) Warrants in full, the Company would be able to raise up to approximately THB 2,668 million whereby the Company plans to use such proceeds from the exercise of right to purchase of newly issued shares as its working capital or to support its business expansion in the future. However, the number of shares exercised to purchase the newly issued ordinary shares under the [HEMP-W2](#) Warrants and the actual payment may be less than the number of shares the Company intends to offer, which may result in the Company receiving less than expected. In such case, the Company's capital increase utilization plan may differ from the stated utilization plan.

**4.4 Potential Impact of Capital Increase on the Company's Business Operations, Financial Position and Overall Operating Results**

The Board of Directors considered and viewed that the capital increase on this occasion will be beneficial to the Company by expanding the business operation into production and distribution of herbals products

which is continuously generating income and strengthen the Company's financial position whereby MMD is the professional for the medical and herbal production industry, ensure that the Company will continuously generate profits from such industry in the future as well as can create Value Added to the product and herbal services and further health in the future. Moreover, the registration of paid-up capital increase from the offering of newly issued ordinary shares and exercising their rights to purchase newly issued ordinary shares under the [HEMP-W2](#) Warrants will help enhance the financial flexibility in the implementation of future projects and beneficial to growth of the business operations. However, failure to proceed such capital increase shall lead to loss of an important opportunity to generate income and profits in long run.

#### 4.5 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 way of private placement at THB 0.12083 per share, which is lower than 90% of the market price, whereby the weighted average price of the Company's shares calculated for the past 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 during the period from August 20, 2021 to September 9, 2021 is equal to THB 0.68 per share (Source: SETSMART from [www.setsmart.com](http://www.setsmart.com)) and the offering price for exercise the [HEMP-W2](#) Warrants for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Rights Offering) at THB 15.00 per share.

However, The Board of Directors viewed that the offering price by way of private placement by determining the offering price lower than 90% of the market price is justifiable upon comparison with appraisal price by comparing the Company's book value as of June 30, 2021 which equal to THB 0.05 per share. In this regard, the Company takes into account the current situation that the Company is in the process of adjusting its business plan by slowing down the selling business in the gadgets and focusing on the healthcare & wellness business which is in the initial stage and has not yet can clearly generate profits for the Company. In addition, the upcoming business of MMD will be able to create added value for the Company when combining with the existing business which would create added value for all shareholders. In addition, the Company is able to provide funding sources as needed to expand the business according to the business plan. Under the current economic and capital market conditions including the conditions of the offer, such as prohibiting the sale of shares within a silent period ii case the offer for sale at a price

lower than the market price according to the applicable laws announced by SET. In addition, the Board of Directors is of the opinion that the exercise price of the [HEMP-W2](#) Warrant is appropriate.

Upon review of the rationale, necessity and benefits to be derived by the Company from the issuance and allocation of newly issued ordinary shares for offering by way of private placement and to accommodate the exercise of the [HEMP-W2](#) Warrants as described above, the Board of Directors thus resolved to approve (1) the issuance and allocation of newly issued ordinary shares for offering to MORE, on the grounds that the allocation of ordinary shares by way of private placement, the conditions for such allocation and the offering price of the newly issued ordinary shares are justifiable and in the best interests of the shareholders and (2) the issuance and allocation of newly issued ordinary shares to accommodate the exercise of the [HEMP-W2](#) Warrants for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Rights Offering).

**4.6 Rationale and Justifications of the Offering of Newly Issued Shares by way of Private Placement and for Exercise of the [HEMP-W2](#) Warrants for Allocation to the Company's Existing Shareholders in Proportion to Their Shareholding Percentage (Rights Offering)**

The Board of Directors are of the opinion that the offering of newly issued shares on this occasion is in consideration of the Acquisition of shares in MMD Transaction between the Company and MORE as a payment in kind in the total amount without any important impacts on the financial flexibility, and help enhance the opportunity to improve the business of production and contribution of herbal products which is continuously growth and the Company will derived the certain profits from such business. Moreover, the issuance and offering of newly issued ordinary shares for to accommodate the exercise of the [HEMP-W2](#) Warrants for offering to the existing shareholders in proportion to their shareholding percentage (Rights Offering) will enable the Company to be able to find the funding source within the required funds within a limited time and mitigate the financial burdens of the Company should the Company secure its funds by other means instead of the capital increase, such as, borrowing of loan. Therefore, the Board of Directors viewed that the transaction on allocation of newly issued shares by way of private placement and for exercise the [HEMP-W2](#) Warrants is necessary and appropriate.

**4.7 Specific Investor for the Offering and Allocation of Newly Issued Ordinary Shares Who has Related Business Which is Beneficial to the Company and has Knowledge or Experience that is Useful or Contributing to the Company's Business**

Pursuant to the acquisition of shares in MMD, the Company shall allocate such ordinary shares to MORE. As a result, MORE will be the Company's shareholder without appointing representative or director in the

Company. This allows the company to manage its operations continuously. In addition, MORE is a listed company on the SET which has the potential to raise funds can become a business partner of the company in the future.

**4.8 Worthiness for Benefits to be Derived by the Company, Upon Comparison with Register the Capital Increase Which is Offering to Such Person at Low Price and Impact on Expense and Financial Position of Listed Company Incurred from the Offering of Newly Issued Shares in Accordance with the Financial Reporting Standard on Share-Based Payments**

This is a private placement offering at a price of THB 0.12083 per share is an allocation of newly issued ordinary shares in return for the purchase of MMD's ordinary shares. Thus, this transaction is not subject to the financial reporting standard on share-based payments and free of charge based on the share criteria.

**5. Shareholders' Right to Object the Offering of Newly Issued at Low Price**

The issuance of newly issued ordinary shares by way of private placement is clearly specify the offering price at more than 10% discount from the market price. The Notification No. TorJor. 72/2558 Re: Permission for Listed Companies to Offer Newly Issued Shares to Specific Investors requires the approval of the Shareholders' Meeting of the Company with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote and also not more than an aggregate of 10% or more of the total votes of the shareholders present at the Meeting and entitled to vote must vote against the offering at such price. Moreover, the Company shall obtain permission to offer the Company's newly issued ordinary shares by way of private placement from the SEC Office prior to offering such newly issued ordinary shares.

**6. Certification of the Board of Directors on Capital Increase**

The Board of Directors hereby certifies that The Board of Directors has carefully considered and verified information of MORE, which is the specific investor, for the issuance and offering of newly issued ordinary share by way of private placement, whereby clearly specific the offering price which is lower than 90 % of the market price of the Company's share. For the exercise of the [HEMP-W2 Warrants](#) for offering to the existing shareholders in proportion to their shareholding percentage (Rights Offering) on this occasion, the Board of Directors views that such allocation is appropriate since the investor has potential and ability to actually invest. Moreover, it will help strengthen the Company's financial position and potential to improve the Company's business in the future.

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 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.

Please be informed accordingly.

Sincerely yours,

Signature:

( Mr. Samart Chuasiriphattana )  
Director and CEO

(F 53-4)

**Capital Increase Report Form**  
**Health Empire Corporation Public Company Limited**  
**September 10, 2021**

We, Health Empire Corporation Public Company Limited (the “Company”), hereby report on the resolutions of the Board of Directors’ Meeting No. 8/2021, which was held on September 10, 2021, regarding the capital reduction, the capital increase and new share allocation, as follows:

**1. Capital Reduction and Increase**

- 1.1 The Board of Directors’ Meeting resolved to grant approval to propose the Shareholders’ Meeting to consider approving the reduction of the Company’s registered capital by THB 2 from the existing registered capital of THB 2,933,261,052 to THB 2,933,261,050 by cancelling the unsold shares in the amount of 2 shares with a par value of THB 1.00 per share, remaining from the public offering of newly issued ordinary shares to the existing shareholders (Rights Offering).
- 1.2 The Board of Directors’ Meeting resolved to propose the Shareholders’ Meeting to consider approving the increase of the Company’s registered capital by THB 3,949,524,275 from the existing registered capital of THB 2,933,261,050 to be THB 6,882,785,325 by issuing not exceeding 3,949,524,275 newly issued ordinary shares with a par value of THB 1.00 per share (1) to offer ordinary shares of the Company by way of private placement and (2) to accommodate the exercise of the warrants to purchase ordinary shares of the Company [Series 2 \(HEMP-W2\)](#) (the “HEMP-W2 Warrants”) for allocation to the Company’s existing shareholders in proportion to their shareholding percentage (Rights Offering) (before the change of the par value by way of reverse stock split and the capital reduction to compensate for accumulated losses).
- 1.3 The Board of Directors’ Meeting resolved to grant approval to propose the Shareholders’ Meeting to consider approving the change of the par value of the Company’s shares (reverse stock split) from THB 1.00 per share to THB 12.90 per share, with the details as follows:

	<u>Before</u> change of par value (THB)	<u>After</u> change of par value (THB)
Registered capital*	6,882,785,325	6,882,785,325
Issued and paid-up capital	4,588,523,550	4,588,523,550
Par value	1.00	12.90

	<u>Before</u> change of par value (THB)	<u>After</u> change of par value (THB)
Number of registered shares*	6,882,785,325	533,549,250
Number of paid-up shares	4,588,523,550	355,699,500

Remarks \* the number of its registered capital and the number of the ordinary shares to upon the completion of (1) the registration for capital reduction cancelling the unsold shares in the amount of 2 shares as described in Item 1.1 and (2) the registration for capital increase in the amount of THB 3,949,524,275 by issuing not exceeding 33,949,524,275 newly issued ordinary shares to (1) offer ordinary shares of the Company by way of private placement and (2) accommodate the exercise of the [HEMP-W2](#) Warrants as described in Item 1.2 and after the allocation to the private placement investor.

- 1.4 The Board of Directors' Meeting resolved to grant approval to propose the Shareholders' Meeting to consider approving the reduction of the Company's registered capital in the amount of THB 6,349,236,075 from the existing registered capital of THB 6,882,785,325 to THB 533,549,250 and from paid-up capital from THB 4,588,523,550 to THB 355,699,500 by change of par value THB 12.90 per share to THB 1.00 per share to compensate for accumulated losses, whereby the number of registered shares shall remain the same, equaling to 533,549,250 with the details as follows:

	<u>Before</u> change	<u>Change</u>	<u>After</u> change
<b>Registered capital</b>			
- Number of shares	533,549,250	-	533,549,250
- Par value (THB)	12.90	(11.90)	1.00
- Value (THB)	6,882,785,325	(6,349,236,075)	533,549,250
<b>Registered and Paid-Up capital</b>			
- Number of shares	355,699,500	-	355,699,500
- Par value (THB)	12.90	(11.90)	1.00
- Value (THB)	4,588,523,550	(4,232,824,050)	355,699,500

However, upon completion of the registration for change of the par value of the Company's shares as described in Item 1.3 and 1.4 above, the number of its registered capital and the number of the ordinary shares to accommodate the exercise of the [HEMP-W2](#) Warrants will be amended to be in line with the change of the par value of the Company's shares to the new par value, as per the following details:



(1) Allocating to the private placement investor

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	1,655,262,500*	1*	1,655,262,500
	Preferred Shares	-	-	-
<input type="checkbox"/> General Mandate	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-

*\*Remarks: Amount of shares, par value as described above is the number before the change of par value by way of reverse stock split and the capital reduction to compensate for accumulated losses.*

(2) Allocation to accommodate the exercise of the [HEMP-W2 Warrants](#)

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	177,849,750*	1*	177,849,750*
	Preferred Shares	-	-	-
<input type="checkbox"/> General Mandate	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-

\*Remarks Amount of shares, par value as described above is the number after the change of par value by (1) reverse stock split from THB 1.00 per share to THB 12.90 per share and (2) the capital reduction by change of par value THB 12.90 per share to THB 1.00 per share to compensate for accumulated losses.

2. Allocation of New Shares

2.1 Specific Purpose of Use of Proceeds

Allocation to	Amount of Shares (shares)	Ratio (Old : New)	Offering Price (THB per share)	Share Subscription and Payment Date and Time	Remark
Private Placement Investor, which is More Return Public Company Limited (“MORE”)	1,655,262,500	-	0.12083*	-	Please see remarks 1-4

Allocation to	Amount of Shares (shares)	Ratio (Old : New)	Offering Price (THB per share)	Share Subscription and Payment Date and Time	Remark
in consideration for the acquisition of shares transaction of More Medical Company Limited					
To accommodate the exercise of the <a href="#">HEMP-W2</a> Warrants for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Rights Offering)	177,849,750	2 : 1	0.00 (Exercise price of THB 15.00 per share)	-	Please see remarks 1-4

\*Remarks the discount THB 82.23 which is lower than 90% of market price of the Company's shares.

1. It was resolved to grant approval to propose the Shareholders' Meeting to consider approving the acquisition of ordinary shares in More Medical Company Limited ("MMD") in the amount of 249,999 shares at the par value of THB 100 per share from More Return Public Company Limited ("MORE"), which (representing 99.99% of MMD's registered and paid-up shares), including the execution of the Share Sale and Purchase Agreement, other arrangements, contracts and documents relating to the acquisition of ordinary shares in MMD (the "Acquisition of Ordinary Shares in MMD Transaction").

On the Board of Directors' meeting date approving the Share Purchase Transaction of MMD, MMD's registered capital is THB 100,000,000 divided into 1,000,000 shares at a par value of THB 100 per share and paid-up capital of THB 25,000,000. MMD informs that it is in the process of reducing the registered capital to be THB 25,000,000 divided into 250,000 shares at a par value of THB 100 shares. The reduction of registered capital shall be completed by September 2021.

Upon comparison between the fair value of MMD at 99.99% of all issued and paid-up shares which approximately equal to THB 367 Million and that of the Company [by reference to Discounted Cash Flow Approach as the valuation method which conducted by Welcap Advisory Company Limited, which is a financial advisor approved by the Office of the Securities and Exchange Commission \(the "SEC Office"\)](#), the Board of Directors resolved to propose that the Shareholders' Meeting consider and approve the issuance and allocation of not exceeding 1,655,262,500 newly issued ordinary shares at a par value of THB 1.00 per share, as payment

in kind for the acquisition of shares in MMD instead of cash, representing 36.07% 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 Purchase Transaction of MMD).

The transaction involving the share allocation in consideration of the Share Purchase Transaction of MMD with MORE constitutes a private placement of newly issued ordinary shares, whereby the Shareholders' Meeting has resolved clearly determine the offering price at THB 0.12083 per share, which is lower than 90% 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**"). 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 15 consecutive business days during the period from August 20, 2021 to September 9, 2021 is equal to THB 0.68 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 of MMD's shares from MORE (the "**Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in MMD**").

The Share Purchase Transaction of MMD is regarded as business transfer transaction pursuant to Section 107(2)(a) of the Public Limited Companies Act B.E. 2535 (1992) (as amended) (the "Public Limited Companies Act"), therefore, the Company is required to obtain approval for the Share Purchase Transaction of MMD from the Shareholders' Meeting of the Company, with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote.

In addition, the Share Purchase Transaction of MMD 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 the total value of consideration relative to the Company's total assets per the Company's financial statements ended June 30, 2021, which have been audited by the auditor, the transaction value is equal to 325.83%. Upon combination of the Company's transactions involving the acquisition of assets over the past six months which equal to 8.73%, the highest value of the transaction is equal to 334.56% based on the total value of consideration, this transaction is regarded as a type 1 transaction (transaction between two listed companies which is equal to 50% or more) pursuant to the Notifications on Acquisition or Disposition of Assets.

Therefore, the Company is required to comply with the Notifications on Acquisition or Disposition of Assets, including the following matters:

- (1) To prepare and submit a report and disclosure of information memorandum on the Company's transaction to the SET immediately, which must at least contain the information as required in List (1) attached to the Notifications on Acquisition or Disposition of Assets;
- (2) To appoint an independent financial advisor to carry out the relevant functions, including provide its opinions as required by the Notifications on Acquisition or Disposition of Assets and submit the independent financial advisor's report to the shareholders for consideration, together with the invitation letter for the Shareholders. In this regard, the Company has appointed Welcap Advisory Company Limited, which is a financial advisor approved by the SEC Office, as its independent financial advisor to provide its opinions to the shareholders on the Share Purchase Transaction of MMD; and
- (3) To convene a Shareholders' Meeting of the Company to approve the execution of the Share Purchase Transaction of MMD, by delivering the invitation letter for the Shareholders' Meeting to the shareholders at least 14 days prior to the date of the Shareholders' meeting, with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote

Please refer to the details of the Share Purchase Transaction of MMD in the Information Memorandum of Health Empire Corporation Public Company Limited Re: an Acquisition of Assets regarding the Acquisition of Shares of More Medical Co., Ltd. (**Enclosure 1**) and Information Memorandum regarding the Offering and Allocation of Newly Issued Ordinary Shares of Health Empire Corporation Public Company Limited to (i) More Return Public Company Limited which is a private placement investor and (ii) to accommodate the Exercise of the Warrants to Purchase Ordinary Shares of Health Empire Corporation Public Company Limited [Series 2 \(HEMP-W2\)](#) (**Enclosure 2**).

However, the Share Purchase Transaction of MMD and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in MMD shall proceed only after the conditions precedent as specified in the SPA between the Company and MORE, including other arrangements, contracts and documents relating to such transactions, have been fulfilled. The significant conditions precedent are summarized below.

- (1) The Shareholders' Meeting of the Company shall have resolved to approve the Share Purchase Transaction of MMD and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in MMD, including approval on various matters necessary for and/or in connection with such transactions;

- (2) 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 MMD or jeopardize the execution of the Share Purchase Transaction of MMD and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in MMD;
- (3) SEC Office shall have approved the private placement of the newly issued ordinary shares to MORE by way of private placement and a waiver from the requirement to make a tender offer for all securities of the business by virtue of resolution of the shareholders' meeting (Whitewash); and
- (4) The Board of Directors' Meeting and the Shareholders' Meeting of MORE shall have resolved to approve the sale of MMD's shares to the Company, including the execution of the SPA, and other arrangements, contracts and documents relating to the execution of the Share Purchase Transaction of MMD and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in MMD, as well as any other actions to ensure the successful completion of the Share Purchase Transaction of MMD and the Transaction involving the Share Allocation in Consideration of an Acquisition of Shares in MMD

In this regard, the Board of Directors' Meeting deemed it appropriate to propose that the Shareholders' Meeting consider and authorize the Board of Directors or the Executive Committee or the Chief Executive Officer or the person authorized by the Board of Directors or the Executive Committee or the Chief Executive Officer to make any arrangements in connection with or necessary for the execution of the Share Purchase Transaction of MMD, including to negotiate, enter into, sign and amend the SPA, and other arrangements, contracts and documents relating to the Share Purchase Transaction of MMD and the Share Allocation in Consideration of the Acquisition of Shares in MMD, and to set out rules, conditions and other details necessary for and in connection with the Share Purchase Transaction of MMD and the Share Allocation in Consideration of the Acquisition of Shares in MMD, as necessary and appropriate under the applicable laws.

2. It was resolved to propose that the Shareholders' Meeting consider and approve an increase of the Company's registered capital by THB 3,949,524,275 from the current registered capital of THB 2,933,261,050 to be THB 6,882,785,325 by issuing 3,949,524,275 newly issued ordinary shares at a par value of THB 1.00 per share to (i) allocate to private placement investor and (ii) accommodate the exercise of the warrants to purchase ordinary shares of the Company [Series 2 \(HEMP-W2\)](#) (the "[HEMP-W2 Warrants](#)") for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Right Offering) and 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. It was resolved to propose that the Shareholders' Meeting consider and approve the issuance and allocation of not exceeding 3,949,524,275 newly issued ordinary shares of the Company at a par value of THB 1.00 per share by allocating (i) 1,655,262,500 newly issued ordinary shares to private placement investor and (ii) 2,294,261,775 newly issued ordinary shares to accommodate the exercise of the [HEMP-W2](#) Warrants for allocation to the Company's existing shareholders in proportion to their shareholding percentage (Right Offering).

3.1 It was resolved to propose that the Shareholders' Meeting consider and approve an issuance and allocation of not exceeding 1,655,262,500 newly issued ordinary shares. The offering price of newly issued ordinary shares is THB 0.12083 per share, totaling THB 200,000,000 to MORE which is private placement investor, as payment in kind for the Share Purchase Transaction of MMD. In this regard, MORE shall pay the purchase price with 249,998 shares of MMD at a par value of THB 100 per share (representing 99.99% of all issued and paid-up shares of MMD) instead of cash payment.

Nonetheless, the Company has accumulated losses shown in the financial statements as of June 30, 2021. Thus, the Company is able to determine the offering price of the Company's newly issued ordinary shares lower than the Company's par value. In this connection, the Company must comply with Section 52 of the Public Limited Companies Act.

3.2 It was resolved to propose the Shareholders' Meeting to consider approving the allocation of not exceeding 177,849,750 newly issued ordinary shares (the number of newly issued ordinary shares is calculated from the number of shares after the change of the par value by way of reverse stock split par as described in Item 4. and the capital reduction to compensate for accumulated losses as described in Item 5. below) at the par value of THB 1.00 per share (or not exceeding 2,294,261,775 newly issued ordinary shares calculated from the number of shares before the change of the par value by way of reverse stock split and the reduction of the capital to write off accumulated losses), to accommodate the exercise of the [HEMP-W2](#) Warrants at the ratio of 2 existing ordinary shares to 1 unit of the [HEMP-W2](#) Warrants issued to the Company's existing shareholders in proportion to their shareholding percentage (the allocation ratio is calculated from the number of shares after the change of the par value by way of reverse stock split as described in Item 4. and the capital reduction to compensate for accumulated losses as described in Item 5. below), at the offering price of the [HEMP-W2](#) Warrants at THB -0.00- per unit.

Should there be any fraction of the [HEMP-W2](#) Warrants remaining from the calculation at the allocation ratio, such fraction shall be discarded, whereby the right to be allocated with the [HEMP-W2](#) Warrants shall remain uncertain until approved by the Extraordinary General Meeting of Shareholders No 2/2021. Upon completion of the registration for change of the par value of the Company's shares and the capital reduction to compensate for accumulated losses as described in Item 4 and Item 5 below, the number of its registered capital and the number of the ordinary shares to accommodate the exercise of the [HEMP-W2](#) Warrants will be amended to be in line with the change of the par value of the Company's shares to the new registered capital and par value.

4. It was resolved to propose the Shareholders' Meeting to consider approving the change of the par value of the Company's shares by way of reverse stock split from THB 1.00 per share to be THB 12.90 per share.

5. It was resolved to propose that the Shareholders' Meeting consider and approve a reduction of the Company's registered capital by THB 6,349,236,075 from the current registered capital of THB 6,882,785,325 to be THB 533,549,250 and from the current paid-up capital of THB 4,588,523,550 to be THB 355,699,500 by change of par value from THB 12.90 per share to be THB 1.00 per share in order to compensate share discount and the Company's accumulated losses. The Company's registered shares remain unchanged at 533,549,250 shares

## 2.2 General Mandate

Allocation to	Type of Securities	Amount of Shares	Percentage of Paid-up Capital <sup>1/</sup>	Remark
Existing Shareholders	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-
To accommodate the conversion/ exercise of the transferable warrants	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-
Public Offering	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-
Private Placement	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-

<sup>1/</sup> The percentage of the paid-up capital as of the date the Board of Directors resolves to increase its capital with general mandate.

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

The Extraordinary General Meeting of Shareholders No. 2/2021 is scheduled to be held on November 26, 2021 at 08.30 hours through electronic meeting (E-EGM), 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 October 1, 2021.

**4. Approval for Capital Increase/New Share Allocation from Relevant Authorities and Conditions of Such Approval (if any)**

1. The Shareholders' Meeting of the Company shall resolve to approve the Acquisition of Ordinary Shares in MMD Transaction and the Transaction on Share Allocation in Consideration of the Acquisition of Shares in MMD, including approval for various matters necessary for and/or in connection with such transactions.
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, excluding such votes of the interested shareholders at the Meeting.
3. The Company shall obtain approval from the SEC Office for the offering of the newly issued ordinary shares by way of private placement as required by the Notification No. TorJor. 72/2558 before proceeding with such offering and allocation of the Company's newly issued ordinary shares to MORE as payment for the Acquisition of Ordinary Shares in MMD Transaction and waiver from the requirement to make a tender offer for all securities of the business by virtue of resolution of the Shareholders' Meeting (Whitewash).
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.
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 Capital Increase**

The Company shall issue (1) 1,655,262,500 newly issued ordinary shares at the par value of THB 1 per share at the offering price of THB 0.12083 per share by allocating the Company's newly issued shares to MORE, which is the private placement investor (Private Placement: PP) as payment for the



Acquisition of Ordinary Shares in MMD Transaction and (2) 177,849,750 newly issued ordinary shares (the number of newly issued ordinary shares is calculated from the number of shares after the change of the par value by way of reverse stock split as described in Item 1.3 and the capital reduction to compensate for accumulated losses as described in Item 1.4 of this document) at the par value of THB 1 per share to accommodate the exercise of the [HEMP-W2](#) Warrants at the ratio of 2 existing ordinary shares to 1 unit of the [HEMP-W2](#) Warrants issued to the Company's existing shareholders in proportion to their shareholding percentage (the allocation ratio is calculated from the number of shares after the change of the par value by way of reverse stock split), at the offering price of the [HEMP-W2](#) Warrants at THB -0.00- per unit.

Please refer to the details in the resolutions of the Board of Directors' Meeting, and the Information Memorandum of Health Empire Corporation Public Company Limited Re: an Acquisition of Assets regarding the Acquisition of Shares of More Medical Co., Ltd. (**Enclosure 1**) and Information Memorandum regarding the Offering and Allocation of Newly Issued Ordinary Shares of Health Empire Corporation Public Company Limited to (i) More Return Public Company Limited which is a private placement investor and (ii) to accommodate the Exercise of the Warrants to Purchase Ordinary Shares of Health Empire Corporation Public Company Limited [Series 2 \(HEMP-W2\)](#) (**Enclosure 2**).

However, the above plan for use of proceeds may be subject to change, depending on the operating results, cash flows, business plan, necessity and other justifications as the Board of Directors deems appropriate, primarily taking into account the interests of the Company and its shareholders.

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

1. The capital increase by issuing and allocating shares to MORE as payment for the Acquisition of Ordinary Shares in MMD Transaction on this occasion shall enable the Company to have funds for the Acquisition of Ordinary Shares in MMD Transaction without any impact on the financial status and financial burdens of the Company, and the Company is not required to borrow any loan from financial institution or secure funding by other means;
2. The Company will have funds for further expansion of its business in the future; and
3. The Company will have more liquidity in the form of working capital from the proceeds from the capital increase.

The above plan for use of proceeds complies with the Company's current business plan in respect of the allocation of proceeds from this offering of newly issued shares. However, the number of newly issued ordinary shares to be exercised under the [HEMP-W2](#) Warrants and actual payments may be

less than the number of shares intended to be offered by the Company, and as such, the Company may receive less proceeds than planned, in which case, the Company's plan for use of proceeds may be different from the plan for use of proceeds as specified in Item 5 above.

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

1. The Company has a policy to pay dividends to the shareholders when the Company's does not has accumulated losses. However, if there is no necessary factors and such dividend payment shall not materially affect the ordinary course of business of the Company. Should the Company has its net profits and does not has such accumulated losses, the shareholders shall be entitled to dividend, whereby the resolution of the Board of Directors for approval of dividend payment must be proposed to seek approval from the shareholders' meeting, except for interim dividends, which the Board of Directors is authorized to approve and report such dividend payment to the next shareholders' meeting for information.
2. The shareholders shall obtain indirect benefits, that is, after the private placement investor which has been allocated with the newly issued ordinary shares on this occasion has been duly registered as the Company's shareholder, such private placement investor shall be entitled to dividend when the Company declares dividend in the same manner as the Company's existing shareholders.
3. Holders of the [HEMP-W2](#) Warrants shall hold the status as the Company's shareholders only after the Company has duly registered the change of its paid-up capital with the Department of Business Development, and if the Company declares any dividends, they shall also be entitled to such dividends in their capacity as the Company's shareholders.

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

Please refer to the Information Memorandum regarding the Offering and Allocation of Newly Issued Ordinary Shares of Health Empire Corporation Public Company Limited to (i) More Return Public Company Limited which is a private placement investor and (ii) to accommodate the Exercise of the Warrants to Purchase Ordinary Shares of Health Empire Corporation Public Company Limited [Series 2 \(HEMP-W2\) \(Enclosure 2\)](#) and the Summary of Preliminary Details of the Warrants to Purchase Ordinary Shares of Health Empire Corporation Public Company Limited [Series 2 \(HEMP-W2\) \(Enclosure 5\)](#).

9. **Certification of the Board of Directors**

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 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).

10. **Schedule of Actions after the Board of Directors' Resolution to Approve the Capital Increase/New Share Allocation**

No.	Procedures	Tentative Date
1.	The Board of Directors' Meetings of the Company shall consider approving the Share Purchase Transaction of MMD	September 10, 2021
2.	The Shareholders' Meetings of the Company shall consider approving the Share Purchase Transaction of MMD	November 26, 2021
3.	The Company shall obtain approval from the SEC Office for the issuance of shares by way of private place as payment in kind for the acquisition of shares in MMD instead of cash payment	December 2021
4.	The Company shall register its registered capital increase with the Ministry of Commerce.	Within 14 days from the date of the resolution of the Shareholders' Meeting
5.	The Company shall offer newly issued ordinary shares by way of private placement with specific purpose of use of proceeds.	By January 2022 (depending on the completion of the conditions precedent under the SPA) within 3 months from the date of the resolution of the Shareholders' Meeting.

No.	Procedures	Tentative Date
6.	The Company shall register 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

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

Signature:

( Mr. Samart Chuasiriphattana )

Authorized Director of the Company

Signature:

( Mr. Sittichai Gasornsombat )

Authorized Director of the Company

Details of the Application for Waiver from the Requirement to Make a Tender Offer for All Securities of the Business by virtue of Resolution of the Shareholders' Meeting (Whitewash)

1. Name of the Applicant

More Return Public Company Limited ("MORE" or the "Applicant") wishes to apply for a waiver from the requirement to make a tender offer for all securities of Health Empire Corporation Public Company Limited (the "Company" or "Business") by virtue of the resolution of the Shareholders' Meeting (Whitewash) under the Notification of the Office of the Securities and Exchange Commission No. SorKor. 29/2561 Re: Rules for the Application for Waiver from the Requirement to Make Tender Offer for All Securities of the Business by Virtue of the Shareholders' Meeting Resolution, dated May 30, 2018.

2. Total Votes of the Shareholders Ineligible to Vote on Agenda Item 6 To consider and approve a waiver from the requirement to make a tender offer for all securities by virtue of the resolution of the Shareholders' Meeting (Whitewash)

-None-

3. Method and Basis of Determination of the Offering Price

This offering of the Company's newly issued ordinary shares to the private placement investor is a private placement of the Company's newly issued ordinary shares whereby the Board of Directors has resolved clearly to determine the offering price by proposing to the Shareholders' Meeting for the shareholders' consideration the offering price of THB 0.12083 per share. The total offering amount will of not exceed THB 200,000,000, which is lower than 90% of the market price 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 (the "Notification No. TorJor. 72/2558"). The Company determined the price discount at 82.23% of the market price, which is more than 10% of the market price, and is considered as the offering of newly issued ordinary shares at a price lower than the market price under the Notification No. TorJor. 72/2558. Therefore, the Company shall obtain approval from the Shareholders' Meeting with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote and also not more than an aggregate of 10% or more of the total votes of the shareholders present at the Meeting and entitled to vote object the offering at such price. Moreover, the Company shall obtain permission to offer the Company's newly issued ordinary shares by way of private placement from the Office of the Securities and Exchange Commission (the "SEC Office") per the Notification No. TorJor. 72/2558 prior to offering such newly issued ordinary shares.

1. **Total Votes of the Shareholders Ineligible to Vote on Agenda Item 6 To consider and approve a waiver from the requirement to make a tender offer for all securities by virtue of the resolution of the Shareholders' Meeting (Whitewash)**

There are no shareholders who are ineligible to vote as on the date to determine the shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 2/2021 on October 1, 2021 (Record Date). Neither MORE nor the persons under Section 258 of the Securities and Exchange Act B.E. 2535 (1992) (as amended) of MORE are shareholders of the Company.

2. **Method and Basis of Determination of the Offering Price**

This offering of the Company's newly issued ordinary shares to the private placement investor is a private placement of the Company's newly issued ordinary shares whereby the Board of Directors has resolved clearly to determine the offering price by proposing to the Shareholders' Meeting for the shareholders' consideration the offering price of THB 0.12083 per share. The total offering amount will not exceed THB 200,000,000, which is lower than 90% of the market price 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 (the "Notification No. TorJor. 72/2558"). The Company determined the price discount at 82.23% of the market price, which is more than 10% of the market price, and is considered as the offering of newly issued ordinary shares at a price lower than the market price under the Notification No. TorJor. 72/2558. Therefore, the Company shall obtain approval from the Shareholders' Meeting with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote and also not more than an aggregate of 10% or more of the total votes of the shareholders present at the Meeting and entitled to vote object the offering at such price. Moreover, the Company shall obtain permission to offer the Company's newly issued ordinary shares by way of private placement from the Office of the Securities and Exchange Commission (the "SEC Office") per the Notification No. TorJor. 72/2558 prior to offering such newly issued ordinary shares.

In this regard, the Company has considered determining the offering price of not exceeding 1,655,262,500 newly issued ordinary shares at the offering price of THB 0.12083 per share, totalling THB 200,000,000. Such offering price is mutually agreed between the Company and MORE by considering that such offering price is higher than the Company' book value as of June 30, 2021 which equal to THB 0.05 per share. In this regard, the Company takes into account the current situation that the Company is in the process of adjusting its business plan by slowing down the selling business in the gadgets and focusing on the healthcare & wellness business which is in the initial stage and has not yet can clearly generate profits for the Company. In addition, the upcoming business of More

Medical Co., Ltd. (“MMD”) will be able to create added value for the Company when combining with the existing business which would create added value for all shareholders.

The market price for the issuance of the newly issued ordinary shares to be allocated to MORE calculated from the weighted average price of the Company’s shares being traded on the Stock Exchange of Thailand (“SET”) over the past 15 consecutive business days before the date of this Board of Directors’ Meeting resolved to approve to propose to the shareholders’ meeting of the Company to consider and approve the issuance and allocation of the newly issued ordinary shares to MORE, which is the private placement investor, namely from August 20, 2021 to September 9, 2021, which is equal to THB 0.68 (Information from SETSMART pursuant to www.setsmart.com).

Moreover, if the offering price of the newly issued ordinary shares to MORE is lower than 90% of the market price of the Company’s shares before the first date of offering of the newly issued ordinary shares, the Company is obliged to prohibit MORE 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, MORE may gradually sell up to 25% 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).

### **3. Opinion of the Board of Directors**

#### **3.1 Rationale and Necessity for Capital Increase**

The Board of Directors is of the view that the issuance and offering of the Company’s newly issued ordinary shares to MORE to pay for the payment for purchase of ordinary shares of MMD on this occasion will create no further financial burden to the Company, should the Company find another source of capital by other means, e.g., by borrowing of a loan, it may result in greater financial burden to the Company. Moreover, the acquisition of ordinary shares in the amount of 249,998 shares in MMD, with a par value of THB 100 per share, which is a subsidiary of MORE, will enhance stability and growth of the Company’s health care and wellness business. This is because MMD operates the business of manufacture and sale of expertise herb products, which is a business that continually and steadily grows, the Company will continually receive a return from such business in the future.

It is for this reason that the Board of Directors is of the view that this capital increase is necessary in order to use the newly issued ordinary shares as payment for the acquisition of assets by entire business transfer of MORE instead of payment by cash.

**3.2 Rationale for Offering of the Company's Newly Issued Ordinary Shares to the Applicant, Expected Benefits to the Company from the Issuance of Newly Issued Ordinary Shares to the Applicant, and Justifications of the Offering Price**

This capital increase is justifiable and in the best interests of the Company. Should the Company find other sources of capital by other means than the capital increase by way of private placement, e.g., by borrowing of a loan, which may cause the Company to encounter problems in terms of its working capital and to incur liabilities in a substantial amount, including interest expenses which would affect the Company's net profits, or if the capital increase proceeds by way of a rights offering, it is uncertain whether the Company could secure such amount of capital from the financing and such borrowing may increase the existing shareholders' burden to pay for the capital increase, not to mention that it is likely to be more time-consuming than the capital increase by way of private placement.

Based on the foregoing reasons, the Board of Directors is of the view that the allocation and offering of the Company's newly issued ordinary shares to MORE represent the fundraising method most capable of accommodating the requirements of funds which are suitable to the Company's current situation, and as such, the Company shall be able to raise funds within a short period of time and will not cause further financial burden to the Company. Should the offering of the newly issued ordinary shares to MORE not be approved by the shareholders or should the request for such resolution to waive the requirement to make a tender offer for all securities of the Company by virtue of a resolution of the Shareholders' Meeting of the Company (Whitewash) not be approved by the Shareholders' Meeting, the Company shall not be able to raise funds to meet the requirements, and such failure will affect the investment plan with continuity and steadiness, including causing the Company to lose the opportunity to receive a return from such rapidly growing business.

**3.3 Relationship between the Applicant and the Company, its Executives, Controllers or Major Shareholders, and Material Contracts**

Prior to this capital increase, there is no relationship between MORE and the Company, its executives, controllers or major shareholders. After the acquisition of the Company's newly issued ordinary shares, however, MORE will be the major shareholder of the Company, holding a total of 1,655,262,500 shares in the Company, representing approximately 36.07% of all issued and paid-up shares (after the Company's paid-up capital increase subsequent to this issuance and offering of newly issued shares).

**3.4 Benefits or Impact from and Possibility of the Applicant's Policy or Plan for Management of the Company**



After the offering of securities for which waiver has been applied for on this occasion, the Company will acquire the ordinary shares of MMD in the proportion of 99.99% of the registered capital of MMD, which operates the business of manufacture and sale of expert herb products. Such acquisition of MMD's ordinary shares will expand the Company's business operation to healthcare and herb business, which is a business with a rapid and continuing growth rate, and the Company will receive a steady return from such business that strengthens the financial position of the Company. In this regard, the Applicant has no policy to change the core business, the business objectives, the organization structure, or the dividend policy of the Company.

**3.5 Opinion Proposed to the Shareholders on Approval or Disapproval for the Applicant to Acquire Newly Issued Securities without Making a Tender Offer for All Securities of the Company, and Supporting Reasons**

The Board of Directors has resolved to grant approval for seeking approval at the Shareholders' Meeting of the Company of a waiver from the requirement to make a tender offer for all securities of the business by virtue of resolution of the shareholders' meeting (Whitewash) because such waiver is justifiable, taking into account the necessity for the registered capital increase to expand and extend the Company's business in the future, and other benefits to be derived from the Company's registered capital increase as described in Clauses 4.1 to 4.4 above.

**3.6 Opinion and Reasons of Each Director Different from the Opinion of the Advisor to the Shareholders**

-None-

**4. Shareholders' Rights to Object to the Waiver from the Requirement to Make a Tender Offer for All Securities of the Company**

The waiver from the requirement to make a tender offer for all securities of the Company by virtue of resolution of the Shareholders' Meeting on this occasion requires approval from the Shareholders' Meeting with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote, excluding the votes of the persons under Section 258 of the Applicant or the concert party of the Applicant, and the persons under Section 258 of such concert party.

Summary of Preliminary Details of the Warrants to Purchase Ordinary Shares of  
Health Empire Corporation Public Company Limited [Series 2 \(HEMP-W2\)](#)

1. Preliminary Details of the Warrants to Purchase Ordinary Shares of Health Empire Corporation Public Company Limited [Series 2 \(HEMP-W2\)](#)

Issuer	Health Empire Corporation Public Company Limited (the “Company”)
Name of Securities Offered	Warrants to Purchase Ordinary Shares of Health Empire Corporation Public Company Limited <a href="#">Series 2 (HEMP-W2)</a> (the “HEMP-W2 Warrants”)
Type of the Warrants	Named and transferable
Number of the Warrants to be Issued and Offered	Not exceeding 177,849,750 units
Number of Shares to be Allocated for the Exercise of the Warrants	<p>Not exceeding 177,849,750 shares (par value of THB 1.00 per share) representing 50% of all issued and sold shares of the Company</p> <p><i>*Calculated from the number of shares after an allocation of newly issued ordinary shares to private placement investor and the change of the par value by way of reverse stock split and the reduction of the capital to write off accumulated losses.</i></p> <p><i>In this regard, please see the Information Memorandum regarding the Offering and Allocation of Newly Issued Ordinary Shares of Health Empire Corporation Public Company Limited to (i) More Return Public Company Limited which is a private placement investor and (ii) to accommodate the Exercise of the Warrants to Purchase Ordinary Shares of Health Empire Corporation Public Company Limited <a href="#">Series 2 (HEMP-W2)</a> (Enclosure 2)</i></p>
Offering Method / Allocation Ratio	<p>The Company will allocate the <a href="#">HEMP-W2</a> Warrants to the Company's existing shareholders in proportion to their shareholding percentages (Rights Offering) at the ratio of two (2) existing ordinary shares to one (1) unit of the <a href="#">HEMP-W2</a> Warrants. (The allocation ratio is calculated from the number of shares after the change of the par value by way of reverse stock split and the reduction of the capital to write off accumulated losses.)</p> <p>Should there be any fraction of the <a href="#">HEMP-W2</a> Warrants remaining from the calculation of allocation ratio, such fraction shall be discarded. All of the</p>

	<p>HEMP-W2 Warrants remaining from the allocation shall be cancelled by the Company, and as such, the balance of the HEMP-W2 Warrants will be equal to the number allocated to the shareholders without fraction.</p>
Offering Price per unit	THB 0.00 per unit
Exercise Ratio	<p>One (1) unit of the HEMP-W2 Warrants is entitled to purchase one (1) ordinary share of the Company, except where the exercise ratio is adjusted by the conditions for rights adjustment. (The allocation ratio is calculated from the number of shares after the change of the par value by way of reverse stock split and the reduction of the capital to write off accumulated losses.)</p> <p>Should there be any fraction of the HEMP-W2 Warrants remaining from the calculation of allocation ratio (if any), such fraction shall be discarded.</p>
Exercise Price	THB 15.00 per share, except where the exercise price is adjusted by the conditions for rights adjustment. (The exercise price is calculated from number of shares after the change of the par value by way of reverse stock split and the reduction of the capital to write off accumulated losses.)
Issuance Date	18 February 2022
Term of the Warrants	Two (2) years from the issuance date of the HEMP-W2 Warrants
Exercise Period	<p>Holders of the HEMP-W2 Warrants may exercise the HEMP-W2 Warrants on the last business day of each quarter (i.e., the last business day of March, June, September, and December) in each calendar year.</p> <p>If the exercise date falls on a holiday of the Company, the exercise date shall be changed to the previous business day.</p>
Exercise Notice Period	Holders of the HEMP-W2 Warrants wishing to exercise the HEMP-W2 Warrants to purchase the Company's ordinary shares must give notice of intention to exercise such right to purchase ordinary shares under the

	<p>HEMP-W2 Warrants during the period between 9.00 and 16.00 hours, in advance <b>at least 5 days</b> before each exercise date.</p> <p>If the exercise date falls on a holiday of the Company, the exercise date shall be changed to the last business day preceding such exercise date, except for the last exercise of the HEMP-W2 Warrants, for which such exercise notice must be given during the period of <b>15 days</b> prior to the last exercise date. The exercise date shall be scheduled quarterly.</p>
Inability to Cancel the Exercise Notice	Once the holders of the HEMP-W2 Warrants have given the exercise notice to purchase ordinary shares under the HEMP-W2 Warrants, such exercise notice may not be cancelled.
Secondary Market of the Warrants	The Company shall further apply for listing of the HEMP-W2 Warrants as listed securities on the Stock Exchange of Thailand ("SET").
Secondary Market for Ordinary Shares from the Exercise of Conversion Right	The Company shall list such ordinary shares arising from the exercise of rights to purchase ordinary shares under the HEMP-W2 Warrants as listed securities on SET.
Reason for Issuance of New Shares to Accommodate the Rights Adjustment	<p>The Company will adjust the exercise price and/or the exercise ratio under the conditions for rights adjustment upon the occurrence of any event as specified in the terms and conditions of the HEMP-W2 Warrants, with the characteristics as described in Clause 11(4)(b) of the Notification of the Capital Market Supervisory Board No. TorJor. 34/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Share Warrants and Newly Issued Underlying Shares, or any other similar events, such as:</p> <ul style="list-style-type: none"> <li>(a) When the par value of the Company's shares changes as a result of a reverse stock split or a stock split;</li> <li>(b) When the Company offers new shares at a low price;</li> <li>(c) When the Company offers convertible debentures at a low price or offers warrants at a low price;</li> </ul>

	<p>(d) When the Company pays dividends, in whole or in part, by distributing newly issued shares to shareholders;</p> <p>(e) When the Company pays dividends in cash in excess of such rate as specified in the terms and conditions of the <a href="#">HEMP-W2 Warrants</a>;</p> <p>(f) When any other events similar to (a) to (e) occur and cause any benefit to be received by the holders of the <a href="#">HEMP-W2 Warrants</a> upon exercise of the <a href="#">HEMP-W2 Warrants</a> to be less favorable.</p>
<b>Warrant Registrar</b>	Thailand Securities Depository Co., Ltd. or any person appointed to substitute as the registrar of the <a href="#">HEMP-W2 Warrants</a>
<b>Other Conditions</b>	<p>The Board of Directors or the Executive Committee or the Chief Executive Officer or any other person appointed and assigned by the Board of Directors or the Executive Committee or the Chief Executive Officer shall be authorized to determine or change details and conditions as necessary for and/or in connection with the issuance and allocation of the <a href="#">HEMP-W2 Warrants</a> in all respects, including the power to take any relevant or necessary actions as appropriate to ensure the successful issuance and offering of the <a href="#">HEMP-W2 Warrants</a>, subject to the requirements of applicable laws and the scope of approval by the Extraordinary General Meeting of Shareholders, the details of which include, but are not limited to:</p> <p>(a) preparation of the terms and conditions of the <a href="#">HEMP-W2 Warrants</a>, including determination of details relating to the issuance and offering of the <a href="#">HEMP-W2 Warrants</a>, etc.;</p> <p>(b) provision of information, contact, preparation, execution, delivery, submission of documents as necessary for or in connection with the issuance and offering of the <a href="#">HEMP-W2 Warrants</a> to the Office of the Securities and Exchange Commission, SET, Thailand Securities Depository Co., Ltd., Ministry of Commerce and other relevant authorities or persons;</p> <p>(c) listing of the <a href="#">HEMP-W2 warrants</a> and of the ordinary shares arising from the exercise of the <a href="#">HEMP-W2 Warrants</a> on the SET;</p>

	<p>(d) appointment of sub-attorney-in-fact to have the power to take any action as necessary and appropriate in relation to the issuance and offering of the <a href="#">HEMP-W2</a> Warrants to ensure the successful issuance and allocation of the <a href="#">HEMP-W2</a> Warrants in all respects;</p> <p>(e) registration for change of the paid-up capital with the Department of Business Development, Ministry of Commerce, with the power to take all necessary action in accordance with the Registrar's order to complete the registration; and</p> <p>(f) scheduling and change of the record date to determine the list of shareholders entitled to be allocated the <a href="#">HEMP-W2</a> Warrants.</p>
<p><b>Purpose of Issuance of the Warrants and Expected Benefits to the Company from this Newly Issued Share Allocation</b></p>	<p>The Company plans to use the proceeds from the exercise of rights to purchase newly issued shares under the <a href="#">HEMP-W2</a> Warrants to prepare for and ensure its financial flexibility for business expansion in the future and as working capital in its business operations upon the exercise of rights to purchase ordinary shares under the <a href="#">HEMP-W2</a> Warrants.</p>
<p><b>Expected Benefits to the Shareholders from the Capital Increase</b></p>	<p><b>Dividend Payment Policy</b></p> <p>The Company has a policy to pay dividends to the shareholders when the Company does not have any accumulated losses. In this regard, if there is no other significant matter and such dividend payment does not significantly affect the Company's normal operations, and if the Company has profit from the business operation and has no accumulated losses, the shareholders will receive benefits from the dividends received.</p> <p><b>Rights to Dividends</b></p> <p>Holders of the <a href="#">HEMP-W2</a> Warrants who have exercised their rights to purchase ordinary shares shall be entitled to receive dividends after they have been registered as the Company's shareholders.</p>

2. **Effects of the Issuance and Allocation of the [HEMP-W2](#) Warrants**

Please refer to the details regarding effects on the shareholders in the Information Memorandum regarding the Offering and Allocation of Newly Issued Ordinary Shares of Health Empire Corporation Public Company Limited to (i) More Return Public Company Limited which is a private placement investor and (ii) to accommodate the Exercise of the Warrants to Purchase Ordinary Shares of Health Empire Corporation Public Company Limited [Series 2 \(HEMP-W2\)](#) (Enclosure 2).