



บริษัท อีเทอเนล เอนเนอจี จำกัด (มหาชน)

ETERNAL ENERGY PUBLIC COMPANY LIMITED

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EE/SET/011/2022

15 March 2022

Re: Acquisition of the shares of CBD Bioscience Company Limited, increase in capital and offering of the Newly Issued Ordinary Shares to the Existing Shareholders and amendment of the agendas to the Annual General Meeting of Shareholders for the year 2022

To: The President
The Stock Exchange of Thailand

Enclosures: 1. Information Memorandum on the Acquisition of the shares of CBD Bioscience Company Limited by Eternal Energy Public Company Limited
2. Capital Increase Report Form (F53-4)
3. Information Memorandum on the Offering of the Newly Issued Ordinary Shares to the Existing Shareholders Proportionate to Their Respective Shareholdings (Rights Offering)

The board of directors of Eternal Energy Public Company Limited (the “Company”) hereby notifies the resolutions of its Board of Directors meeting No. 3/2022 held on March 15, 2022 where the Meeting resolved to approve the following significant matters:

(1) Resolved to approve the Company and/or its subsidiaries to acquire 400,000 ordinary shares or totaling 100.00% of the shares of CBD Bioscience Company Limited (“CBDB”), a limited company incorporated in Thailand to conduct hemp trading and manufacturing business, from Bio Medical Group Company Limited (the “Seller”) and to receive the assignment of right to receive money under the loan agreements between the Seller (as the lender) and CBDB (as the borrower) including but not limited to all principle and outstanding interest owed by the borrower, from the Seller, whereby the Company agrees to pay to the Seller a consideration in the total of not exceed Baht 650 million (the “Transaction”) on the date the Transaction is completed.

Furthermore, the board of directors resolved to approve the entry into a share purchase agreement in relation to CBDB (the “Share Purchase Agreement”) and other documents related to the Transaction,

as well as approve any action or compliance with the Company's obligations under the Share Purchase Agreement and the relevant documents, the authorization of the Company's binding signatory and the persons appointed by the Company's binding signatory to perform any necessary tasks that is necessary or related to the Transaction, which includes but is not limited to, (a) negotiating the terms and conditions of the Share Purchase Agreement, (b) establishing and/or modifying any additional details of the Transaction, (c) signing in agreements and documents related to the Transaction, including, but not limited to, the Share Purchase Agreement, (d) signing in any application documents as well as any other necessary documents and evidence relevant to the Transaction, which includes contacting and filing the application, documents and evidence with government authorities and/or any regulators, and (e) any necessary tasks relevant for the completion of the Transaction.

In this regard, the Transaction is not considered as a connected transactions pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 (2008) Re: Rules on Connected Transactions (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) (as amended) ("**Notifications on Connected Transactions**"). However, the Transaction is considered an acquisition of assets according to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 (2008) Re: Rule on Entering into Material Transactions Deemed as Acquisition or Disposal of Asset (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 or Disposal of Asset B.E. 2547 (2004) (as amended) (collectively referred to as "**Notifications on Acquisition or Disposal of Assets**"). After calculating the size of such transaction based on the consolidated financial statements ended December 31, 2022 of the Company on the total value of consideration criterion which provides the highest value, the transaction value equals to 37.28 percent. When calculated in combination with other acquisition of assets transactions occurring in the past six months prior to the date on which the acquisition of the shares of CBDB is approved, namely the acquisition of ordinary shares in Cannabiz Way Company Limited with the transaction value equals to 44.47 percent based on the consideration criterion, the total value of the transactions is equivalent to 81.75 percent, making this transaction a transaction pursuant to List 1 of the Notifications on Acquisition or Disposal of Assets with the value over 50 percent.

The Company is then required to comply with the Acquisition and Disposition Notifications as follows:

- 1) disclose information relevant to the transaction according to List (1) of the Acquisition and Disposition Notifications to the Stock Exchange.
- 2) appoint an independent financial advisor to proceed with relevant tasks, including providing opinion according to the Acquisition and Disposition Notifications and

preparing the independent financial advisor report for the shareholders' consideration to be delivered with the notice convening shareholder's meeting.

- 3) hold a shareholder's meeting to propose the approval of the transaction with the votes of not less than three-fourths of total votes of shareholders attending the meeting and entitled to vote, excluding the votes of shareholders with conflict of interests.

The details of the transaction are as described in Enclosure 1

(2) Resolved to approve the appointment of Siam Alpha Capital Company Limited as the independent financial advisor, providing opinions on the acquisition of the assets to the shareholders.

(3) Resolved to propose to the Annual General Meeting of Shareholders for the year 2022 to consider and approve the increase of the Company's registered capital for Baht 3,580,000,000 from the registered capital of Baht 4,170,000,000 to Baht 7,750,000,000 via the issue of 3,580,000,000 new ordinary shares to accommodate the offering of the newly issued ordinary shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering), at the par value of Baht 1 and to accommodate the adjustment of right of the Warrant Representing the Right to Purchase Newly Issued Ordinary Shares of Eternal Energy Public Company Limited No. 1 (EE-W1).

Moreover, the Board of Directors resolved to propose to the Annual General Meeting for the year 2022 to consider and approve the amendment to the Memorandum of Association of the Company Clause 4 to be in line with the increase in the Company's registered capital, whereby the persons authorized by the Board of Directors to register the amendment to the Memorandum of Association of the Company with the Department of Business Development, the Ministry of Commerce, shall have the power to amend and include wordings as per orders of the registrar.

The Company has a total of 1,390,000,000 authorized but unissued ordinary shares to accommodate the exercise of the Warrant Representing the Right to Purchase Newly Issued Ordinary Shares of Eternal Energy Public Company Limited No. 1 (EE-W1), totaling 1,390,000,000 warrants. Therefore, it is not necessary for the Company to cancel said authorized but unissued shares pursuant to Section 136 of the Public Company Act B.E. 2535 (as amended).

Please refer to the Capital Increase Report Form (F53-4) Enclosure 2 for additional details.

(4) Resolved to propose to the Annual General Meeting for the year 2022 to consider and approve the allocation of 3,580,000,000 newly issued ordinary shares of the Company as follows:

4.1 allocation of 2,780,000,000 newly issued ordinary shares of the Company with par value of Baht 1 each to the existing shareholders, as follows:

- (1) offering at the price of Baht 0.50 each at the ratio of 1 existing ordinary share to 1 newly issued ordinary share and any fraction of shares shall be discarded, the total value of which is not exceeding Baht 1,390,000,000 million Baht and the subscription date will be determined by the Board of Directors.

In this regard, the offering price of Baht 0.50 is a price lower than the par value of the Company's shares. The Company is required to obtain an approval from the Annual General Meeting of Shareholders for the year 2022, pursuant to Section 52 of the Public Limited Companies Act B.E. 2535 (1992) (including the amendments thereof). The Company is able to offer the ordinary shares at the price lower than the par value of the Company's shares since the Company has accumulated losses according to the separate financial statements of the Company ended December 31, 2021, which had been audited by the certified auditor of the Company.

- (2) In case where there are the newly issued ordinary shares remaining after the first allotment to all existing shareholders proportionate to their respective shareholdings, the Company will allot the remaining unallotted shares to the shareholders who express their intention to subscribe for additional newly issued ordinary shares in excess to their share allotment proportionate to their shareholding (Oversubscription) at the same offering price. The Company will proceed with the allotment of shares until there are no remaining newly issued ordinary shares left for further allotment or until no more shareholder expresses the intention to subscribe for the newly issued ordinary shares. However, if there are remaining shares left from the allotment to the shareholders, the Company will proceed with the capital decrease by cancelling such unallotted shares and will not offer such shares to specific investors.

- (3) In case where there are shareholders expressing their intention to oversubscribe for the newly issued ordinary shares in excess to their respective shareholdings and the result of which is that there is an increase in shareholding in the Company of the shareholder and the persons under Section 258 of the Securities and Exchange Act B.E. 2535 (1992) (including the amendments

thereof) of such shareholder such that reaches or exceeds any trigger point to make a tender, such shareholder is required to make a tender offer for all securities of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 (2011) Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (the “**Notification on the Acquisition of Securities for Business Takeovers**”), except for the case that such shareholder is exempted from making the tender offer for all securities of the Company according to the Notification on the Acquisition of Securities for Business Takeovers.

- (4) In the allotment of the newly issued ordinary shares, the Company reserves the right to not allocate shares to any subscriber if such allotment violates or may result in the violation of foreign shareholding restriction set out in the Articles of Association of the Company which currently allows the foreign shareholders to hold shares in the Company in the amount not exceeding 49 percent of the total number of sold shares of the Company.
- (5) The Company determines the date for determining the list of shareholders entitled to subscribe and be allocated with the newly issued ordinary shares proportionate to their respective shareholdings (Record Date) to be on March 31, 2022 or any other date as otherwise specified by the Board of Directors. The issuance and offering of the newly issued ordinary shares to the existing shareholders is still uncertain until the Company obtains the approval from the Annual General Meeting of Shareholders of the Company for the year 2022.

4.2 allocation of 800,000,000 shares of the Company with par value of Baht 1 each to accommodate the adjustment of right of the Warrant Representing the Right to Purchase Newly Issued Ordinary Shares of Eternal Energy Public Company Limited No. 1 (EE-W1) as the Company has issued and offering of the shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering), the Company has a duty to adjust the right under the Warrant Representing the Right to Purchase Newly Issued Ordinary Shares of Eternal Energy Public Company Limited No. 1 (EE-W1) when the Company offers newly issued shares to the existing shareholders and/or a general public and/or a private placement, at the price lower than 90% of the market price of the Company's ordinary shares. However, the Company is unable to calculate the adjustment rate of the Warrants at this time as in calculating the new adjustment price and adjustment ratio, the Company shall use the

market price of the Company for calculation which is equal to the weighted average market price per share of the Company's ordinary shares that were traded on the SET during the period of 14 consecutive business days prior to the first day on which the purchasers of the ordinary shares shall not be entitled to subscribe for the newly issued ordinary shares (the first day on which the SET posts XR sign), which cannot be calculated at the present time. In this regard, the Company has estimated the newly issued ordinary shares to support the adjustment of rights under the Warrants. The Company would be able to calculate the exercise price of the adjusted rights on March 29, 2022 which is the day before the first day on which the purchasers of the ordinary shares shall not be entitled to subscribe for the newly issued ordinary shares (the first day on which the SET posts XR sign).

Furthermore, the Board of Directors of the Company resolved to propose to the Annual General Meeting of Shareholders for the year 2022 to consider and approve the authorization to the Board of Directors or the Chief Executive Officer or persons authorized by the Board of Directors or the Chief Executive Officer to have the power to contact, negotiate, amend, agree, execute, and deliver all relevant documents, and/or instruments, including but not limited to contacting, organizing and submitting any application forms for permission, waivers (if any), and necessary and relevant evidences to the relevant government agencies or relevant authorities, including Thailand Securities Depository Company Limited, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand (SET) and the Ministry of Commerce as well as amending the relevant information memorandum to be disclosed, disclosing relevant information, making statement and information to relevant authorities, and determining and/or amending conditions and details in relation to the allocation and other processes in relation to the issuance and allocation of the newly issued ordinary shares, subject to the relevant rules and laws, which shall include but not be limited to

- 1) Single or sequential offerings of the newly issued shares, the subscription period, subscription price, the share payment, allocation method including other conditions and details related thereto;
- 2) Appointing the financial advisor, enter into the negotiation and agreement and execute any documents and agreements in relation to such allocation of the newly issued ordinary shares, including to take any actions in connection with such allocation of the newly issued ordinary shares;
- 3) Signing any application forms for permission, waivers (if any), and necessary and relevant evidences in relation to the allocation and the offering of the newly issued ordinary shares, including to certify other relevant documents, contact, including

organizing and submitting any applications forms for permission, waivers (if any) and necessary evidences to the relevant government agencies or relevant authorities; and

- 4) Listing the newly issued ordinary shares of the Company on the Stock Exchange of Thailand (SET) and taking any actions necessary and relevant for the entering into such transaction in all respects until completion of the Transaction, and to appoint and/or remove substitute to take the foregoing actions.

Other details can be found in the Capital Increase Report Form (F53-4) ([Enclosure 2](#)) and the Information Memorandum on the Offering of the Newly Issued Ordinary Shares of the Company to the Existing Shareholders Proportionate to their Respective Shareholdings (Rights Offering) ([Enclosure 3](#))

(5) Resolved to amend the agenda for the Annual General Meeting of Shareholders for the year 2022 via E-meeting as follows. Whereas the date and time of the Annual General Meeting of Shareholders for the year 2022 shall be the same i.e. on 29 April, 2022, at 14.00 p.m.

- | | |
|------------|---|
| Agenda 1 | To consider and certify the minutes of the Extraordinary General Meeting of Shareholders No. 1/2022 held on 28 January 2022 |
| Agenda 2 | To consider matters related to the Annual General Meeting of Shareholder for the year 2022 |
| Agenda 2.1 | To acknowledge the Company business operations for the year 2021 and future plan |
| Agenda 2.2 | To consider and approve the certified by the auditor financial statements for the year ended December 31, 2021 |
| Agenda 2.3 | To approve the omission of dividend payment for the year 2021 |
| Agenda 2.4 | To consider the election of directors in place of those to be retired by rotation |
| Agenda 2.5 | To consider and approve the remuneration of directors for the year 2022 |
| Agenda 2.6 | To consider the appointment of auditors and fix the audit fee for the year 2022 |
| Agenda 3 | To consider and approve the amendment of the Company's Articles of Association, Chapter 2, Shares and Shareholders, Article 6 |

- Agenda 4 To consider and approve the Company and/or its subsidiaries to acquire 400,000 ordinary shares or totaling 100.00% of the shares of CBD Bioscience Company Limited (“CBDB”), a limited company incorporated in Thailand to conduct hemp trading and manufacturing business, from Bio Medical Group Company Limited
- Agenda 5 To consider and approve the increase in the Company’s registered capital and the amendment of Clause 4 of the Memorandum of Association of the Company in order to be in accordance with the increase in the registered capital of the Company
- Agenda 6 To consider and approve the allocation of the newly issued ordinary shares of the Company
- Agenda 7 Other matters (if any)

Approved the authorization to the Chief Executive Officer to have power under the scope of law to amend and/or determine the date, time, venue and agenda items, details in each agenda for the Annual General Meeting of Shareholders for the year 2022, as deemed appropriate.

In addition, the date for determining the list of shareholders who are entitled to attend the Annual General Meeting of Shareholders for the year 2022 (Record Date) shall be the same i.e. on March 31, 2022.

Please be informed accordingly.

Sincerely yours,

(Mr.Worasak Kriengkamol)

Chief Executive Officer

Authorized Person to Disclose
Information

(Translation)

**INFORMATION MEMORANDUM ON ACQUISITION OF THE SHARES OF CBD BIOSCIENCE COMPANY LIMITED
BY ETERNAL ENERGY PUBLIC COMPANY LIMITED (LIST 1)**

March 15, 2022

The Board of Directors' Meeting No. 3/2022 of Eternal Energy Public Company Limited (the "**Company**") held on March 15, 2022 resolved to propose to the Shareholder's meeting to consider and approve the acquisition, by the Company and/or its subsidiaries, of 400,000 ordinary shares or 100.00% of the total issued shares in CBD Bioscience Company Limited ("**CBDB**"), a limited company incorporated in Thailand engaging in the cultivation and sale of hemp, from Bio Medical Group Company Limited (the "**Seller**") and to receive the assignment of right to receive money under the loan agreements between the Seller (as the lender) and CBDB (as the borrower) including but not limited to all principle and outstanding interest owed by the borrower (the "**Right to Receive Money under the Loan Agreements**"), from the Seller, where the Company has agreed to pay not exceed THB 650 million to the Seller on the Completion Date as the total consideration (collectively the "**Transaction**").

The proposed Transaction does not constitute a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction 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 (as amended) (the "**Connected Transaction Notifications**"), but constitutes an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets 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 Asset B.E. 2547 (as amended) (the "**Acquisition and Disposition Notifications**"). The transaction size of such Transaction calculated based on the audited consolidated financial statements of the Company for the 12 months ended December 31, 2021, and the total value of consideration criterion, which gives the highest transaction value, is equivalent to 37.28%, and, when combined with the other acquisition transactions within the past six months prior to the date on which the Board of Directors resolved to propose to the Shareholder's meeting to consider and approve the acquisition of the ordinary shares of CBDB, which is the acquisition of the ordinary shares of Cannabiz Way Company Limited ("**CW**") with the total value based on the total value of consideration criterion of 44.47%, resulting in the combined total value of the transactions of 81.75%. The Transaction, therefore, is deemed a Class 1 transaction under the Acquisition and Disposition Notifications, i.e. a transaction whose transaction size is equal to or more than 50%, but less than 100%.

The Company is then required to comply with the Acquisition and Disposition Notifications as follows:

- 1) disclose information relevant to the transaction according to List (1) of the Acquisition and Disposition Notifications to the Stock Exchange.

- 2) appoint an independent financial advisor to proceed with relevant tasks, including providing opinion according to the Acquisition and Disposition Notifications and preparing the independent financial advisor report for the shareholders' consideration to be delivered with the notice convening shareholder's meeting.
- 3) hold a shareholder's meeting to propose the approval of the transaction with the votes of not less than three-fourths of total votes of shareholders attending the meeting and entitled to vote, excluding the votes of shareholders with conflict of interests.

The Company would like to disclose information on the said Transaction to the SET in accordance with the Acquisition and Disposition Notifications as follows:

1. Transaction Date

After the Annual General Shareholder's meeting of the year 2022 has resolved to approve the Transaction, the Company and/or its subsidiaries will execute a share purchase agreement in respect of the Transaction (the "SPA") with the Seller no later than May 13, 2022. The completion of the Transaction is expected to take place on or around May 31, 2022 after all the conditions precedent under the SPA are fulfilled or waived by the relevant parties and the completion obligations under the SPA have been undertaken (the "Completion Date").

2. Contractual Parties and Relationship with the Company

- Purchaser** : Eternal Energy Public Company Limited
- Seller** : Bio Medical Group Company Limited
- Relationship with the Company** : The Seller, its connected persons, and ultimate shareholders¹ do not have any relationship with the Company and are not the Company's connected persons. The Transaction, therefore, is not considered a connected transaction under the Connected Transactions Notifications.

3. General Characteristics and Transaction Size

3.1 General Characteristics

The Company and/or its subsidiaries will purchase 400,000 ordinary shares or 100.00% of the total issued shares in CBDB from the Seller and receive the assignment of the Right to Receive Money under the Loan Agreements from the Seller. Key terms and conditions of the SPA are set out below.

- Key conditions precedent** : 1) There must be no material adverse event affecting CBDB (material adverse event means an event or a number of events or any change that has or may have a material adverse effect on CBDB's corporate status, business, financial position, assets, value of shares or business operations).
- 2) The Company must have obtained approval from its board of directors and its shareholder's meeting to purchase 400,000 ordinary shares in CBDB and to receive the assignment of the Right to Receive Money under the Loan Agreements.
- Key conditions subsequent** : The Seller must arrange for the following conditions subsequent to be completed within 120 days after the Completion Date or within any other period agreed between the parties.
- 1) The Seller must arrange for CBDB to obtain licenses for the cultivation of hemp and construction licenses as legally required.
- 2) The Seller must arrange for CBDB to amend its work regulations to contain all details as legally required.

¹ The ultimate shareholders of the Seller are Mr. Suphan Settapanich, Miss Phanthipha Naytiphat, and Mr. Sittipong Naytiphat, holding 100%, 0%, and 0% shares in the Seller, respectively.

However, in case such conditions subsequent are not completed or waived by the Company within such period, the Company and the Seller agree to terminate the SPA and undertake to restore each other to its original position and the Company may seize the THB 620 million cheque provided by the Seller to the Company as collateral for the performance of its obligations under the SPA.

- Key completion obligations** :
- 1) The Seller shall transfer the ownership over the shares to be sold and to assign the Right to Receive Money under the Loan Agreements to the Company.
 - 2) The Seller shall deliver and procure the delivery of duly executed share transfer instrument, share certificates, copy of share register, resignation letter of the existing director of CBDB, as well as the relevant resolutions passed by the board of directors and/or shareholders of CBDB approving, *inter alia*, amendment of the number of directors and appointment of directors, and amendment of the articles of association of CBDB (as the case may be).
 - 3) The Seller must provide a THB 620 million cheque to the Company as collateral for the performance of its obligations in connection with the conditions subsequent.
 - 4) Upon receipt of the completion documents as specified under the SPA from the Seller, the Company and/or its subsidiaries will pay THB 500 million as consideration to the Seller.

3.2 Transaction Size

According to the SPA, the Company and the Seller have agreed that the consideration for the Transaction will be THB 650 million and the Company has agreed to pay such consideration to the Seller on the Completion Date (after deduction of the refundable deposit of THB 150 million, which, according to the memorandum of understanding, the Company paid to the Seller on October 29, 2021, to undertake feasibility study).

Moreover, the Company may provide financial assistance of up to THB 10 million (inclusive of principal and interest) to CBDB within 120 days after the Completion Date to be used in the operations of CBDB (the “**Financial Assistance**”).

The Company has calculated the transaction size of the Transaction under the Acquisition and Disposition Notifications based on the audited consolidated financial statements of the Company for the twelve months ended December 31, 2021, the details of which are as follows:

- (1) Calculation under the net tangible asset (NTA) value criterion:

$$\begin{aligned} \text{Transaction size} &= \frac{\text{NTA of CBDB} \times 100}{\text{NTA of the Company}} \\ &= \frac{\text{THB 37.49 million}^{1/} \times 100\%}{\text{THB 1,102.44 million}} \\ &= 3.40\% \end{aligned}$$

Remark ^{1/}reference is made to the management account of CBDB unaudited by certified auditor

- (2) Calculation under the net profit from operating results criterion:

This criterion is not applicable as CBDB is operating at a loss

- (3) Calculation under the total value of consideration criterion:

$$\begin{aligned} \text{Transaction size} &= \frac{\text{Total value of consideration paid}}{\text{Total assets of the Company}} \\ &= \frac{\text{THB 660 million}^{1/}}{\text{THB 1,770.59 million}} \\ &= 37.28\% \end{aligned}$$

Remark: ^{1/} The amount used by the Company to calculate the total value of consideration comprises (a) consideration for the shares to be purchased of THB 650 million, and (b) value of the Financial Assistance of THB 10 million (inclusive of principal and interest).

- (4) Calculation under the equity issued as consideration for the assets criterion:

This criterion is not applicable as no new share of the Company will be issued as consideration.

Transaction Size Calculation Summary

Calculation Criteria	Transaction Sizes (%)
1. Net tangible asset (NTA) value	3.40%
2. Net profit from operating results	Not applicable
3. Total value of consideration	37.28%
4. Value of equity issued as consideration for the assets	Not applicable

The transaction size of such Transaction calculated based on the audited consolidated financial statements of the Company for the twelve months ended December 31, 2021, under the total value of consideration criterion, which gives the highest transaction value, is equivalent to 37.28%, and, when combined with the other acquisition transactions within the past six months prior to the date on which the Board of Directors resolved to propose to the Shareholder’s meeting to consider and approve the acquisition of the ordinary shares of CBDB, which is the acquisition of the ordinary shares of Cannabiz Way Company Limited with the total value based on the total value of consideration criterion of 44.47%, resulting in the combined total value of the transactions of 81.75%. The Transaction, therefore, is deemed a Class 1 transaction under the Acquisition and Disposition Notifications, i.e. a transaction whose transaction size is equal to or more than 50%, but less than 100%.

The Company is then required to comply with the Acquisition and Disposition Notifications as follows:

- 1) disclose information relevant to the transaction according to List (1) of the Acquisition and Disposition Notifications to the Stock Exchange.
- 2) appoint an independent financial advisor to proceed with relevant tasks, including providing opinion according to the Acquisition and Disposition Notifications and preparing the independent financial advisor report for the shareholders’ consideration to be delivered with the notice convening shareholder’s meeting.
- 3) hold a shareholder’s meeting to propose the approval of the transaction with the votes of not less than three-fourths of total votes of shareholders attending the meeting and entitled to vote, excluding the votes of shareholders with conflict of interests.

4. Details of Assets Acquired

The Company will acquire 400,000 ordinary shares or 100.00% of the total shares of CBDB upon completion of the Transaction where key information on CBDB is as follows:

Name	:	CBD Bioscience Company Limited
Date of incorporation	:	April 5, 2021
Registration number	:	0505564006033
Type of business	:	Cultivation, import, and sale of hemp
Registered address	:	399/202 Moo 3, Sannameng, San Sai, Chiang Mai, 50210
Registered capital	:	THB 40,000,000 divided into 400,000 ordinary shares with a par value of THB 100 per share
Paid-up capital	:	THB 40,000,000

In addition, the Company will receive the assignment of the right to receive money under the loan agreements and the promissory notes between the Seller (as the lender) and CBDB (as the borrower), totaling 7 agreements which includes but not limited to all principle and outstanding interest owed by the borrower. As of December 31, 2021, CBDB has the principle and interested owed to the Seller in the amount of approximately THB 6.36 million.

4.1 Nature of Business

CBDB is a limited company incorporated in Thailand whose core business is the cultivation of hemp in greenhouses using EVAP (Evaporative Cooling System: a closed system farming which maintains the temperature at the appropriate level and works well in preventing epidemic disease) on the land owned by CBDB in Nong Yuang, Wiang Nong Long, Lamphun, with the total area of 28-0-95 Rais. The land accommodates 60 hemp cultivation buildings and common cultivation area of 9,600 square meter (by the end of February 2022, 20 cultivation buildings are ready for use whereas all 60 buildings will be ready at the end of March 2022).

4.2 Key Financial Information

Statement of Financial Position (THB)	2021 (unaudited)
Cash and Cash Equivalent	2,183,350
Current Tax Asset	928,712
Raw material for cultivation	2,100,000
Working in progress	28,911,756
Other Current Asset	2,300,692
Land, building and equipment	7,800,000
Total Assets	44,224,509
Short-term Loans – Related Parties	6,358,948
Current Tax Liability	346,611
Other Current Liabilities	28,000
Total Liabilities	6,733,559
Paid up Capital	40,000,000
Accumulated Profit (Loss)	(2,509,050)
Total Shareholder’s Equity	37,490,950
Other Revenue	93
Expenses	2,509,143
Net Profit (Loss)	(2,509,050)

Note: From April 5, 2021 (the establishment of CBDB) to December 31, 2021.

4.3 Board of Directors and Shareholders

Board of Directors

Pre-Transaction	Post-Transaction
1. Mr. Suphan Settapanich (Director)	1. Mr. Worasak Kriengkamol (Director)
2. Mr. Nimit Sangsuwanmekha (Director)	2. Mr. Prapat Yorkhan (Director)

Shareholders

Pre-Transaction			Post-Transaction		
Names	No. of Shares	Percentage (%)	Names	No. of Shares	Percentage (%)
1. Bio Medical Group Company Limited	399,998	99.99	1. Eternal Energy Public Company Limited	399,998	99.99
2. Mr. Nimit Sangsuwanmekha	1	0	2. Mr. Worasak Kriengkamol	1	0
3. Miss Asaya Kosolwuttikul	1	0	3. Mr. Prapat Yorkhan	1	0
Total	400,000	100	Total	400,000	100

5. Total Value of Consideration and Payment Terms

5.1 Total Value of Consideration

The total value of consideration for the Transaction will not exceed THB 650 million as detailed in item 3.2.

5.2 Payment Terms

The Company will pay the consideration not exceed THB 650 million in cash (after deduction of the refundable deposit of THB 150 million, which, according to the memorandum of understanding, the Company paid to the Seller on October 29, 2021, to undertake feasibility study) to the Seller on the Completion Date after all the conditions precedent under the SPA are fulfilled or waived by the relevant parties and the completion obligations under the SPA have been undertaken as detailed in item 3.1.

6. Value of Assets Acquired

The value of the shares in CBDB acquired as a result of the Transaction will be the same amount as the total value of consideration as detailed in item 5.1.

7. Basis Used to Determine the Value of Consideration

The basis used to determine the value of consideration for the Transaction is derived from the price negotiated and agreed between the Company and the Seller. Moreover, the Company has considered using the discounted cash flow approach from CBDB share evaluation report provided by Capital Advantage Company Limited, the Company's financial advisor, where the fair value of CBDB shares and the Right to Receive Money under the Loan Agreements between the seller (as the lender) and CBDB (as the borrower) was appraised to be in the range of THB 407.07 – 688.59 million with significant assumptions as follows:

- Ten-year financial projection (2022 – 2031) is used on the assumption there will no business operation after the tenth year, which is in compliance with conservative basis. CBDB will begin harvest the first round of hemp and recognize the revenue thereof in the second quarter of 2022.
- Projection is based on purchase quantity and purchase price under 3 purchase agreements of agricultural products.
- The 6-rai hemp plantation is the cultivation in the Evaporation Greenhouse or EVAP in the area of 160 square meter, totalling 60 greenhouse (9.600 square meter in total) and 2 nursery houses (320 square meter in total). Imported hemp seeds were used for cultivation to produce high cannabinoids (CBD) and low tetrahydrocannabinol (THC).
- Forecasted sale revenues in 2022 – 2031 are approximately THB 170.19million/year and forecasted net profits are approximately THB 63.92 million/year (base case).
- Discount rate is 12.75% – 12.86% p.a.

8. Expected Benefits for the Company

It is expected that the Transaction will allow the Company to obtain the following benefits:

1. Adhere to the Company's investment plan that emphasizes mainly on the development of, and investment in, agricultural space zoning and cultivation of economic crops, which is a continuous investment on the upstream industry of hemp business to increase productivity and negotiating power of the group company as well as to expand to midstream and downstream in the future.
2. Increase the opportunity to generate revenues and returns to the Company in the long run since the hemp business has the potential, has received support from the government since early 2021,

and has the opportunity to grow, become primary source of revenue, and continuously create added value to the Company in the future. CBDB, despite being only incorporated recently for hemp cultivation business, has prepared the land, cultivation building, methods and techniques of cultivation, and is currently in the process of obtaining a license for the cultivation of hemp. Having been inspected by the relevant authority, the license for the 20 greenhouses including outdoor cultivation is expected to be obtained within April 2022. The licenses for the remaining cultivation houses will be further applied in stages. Because of the aforementioned reasons, this investment is considered to be done in an appropriate time.

3. Diversify the Company's investment risks in hemp business to various locations, with the investment in CBDB will be located in Lamphun (northern Thailand) which has many advantages to its location. For example, the climate is more suitable for cultivation of hemp than other regions, thus it helps reduce the expenses for temperature control throughout the cultivation period, and it is close to the project advisors, a team of university lecturers who have the insights and experience in hemp cultivation as well as being familiar with the environment around the plantation. Moreover, the investment in CBDB will focus on the cultivation of hemp for the production in industrialized manner.
4. An investment in a company with land and buildings ready for hemp cultivation. CBDB is capable of beginning the cultivation of the first round of hemp immediately once it has obtained the license for the 20 greenhouses which have already passed the site inspection by the relevant authority (which is expected to be within April 2022). Consequently, CBDB and the Company will be able to recognize revenue from the sale of productions from the first harvest around the second quarter of 2022. On the other hand, if the Company was to expand hemp cultivation on its own, it would take at least 8- 12 months to start the cultivation and will generate revenue from the first round of harvest as it would have to determine the location, purchase and level the land, prepare buildings and the type of seeds, as well as apply for the license for hemp cultivation.
5. Grant the Company the controlling power in the investment, allowing them to determine management direction. Therefore, the CBDB is intended for the harvest of hemp for the production in industrialized manner which allows the Company to receive the full return on investment.

9. Sources of Funding

The Company will use its internal cash flow from the disposal of investment in SSUT Company Limited to finance the Transaction.

10. Opinion of the Board of Directors

After taking into account the purchase price appraised by the Company's financial advisor as described in

item 7 above, the Board of Directors unanimously resolved to approve the Transaction since the Board of Directors considered and viewed that the Transaction and the purchase price were appropriate, reasonable, and beneficial to the Company and its shareholders in the long run given the reasons already described in item 8 above.

11. Opinion of the Audit Committee

The Audit Committee did not have a different opinion from that of the Board of Directors as mentioned in item 10 above.

(F 53-4)

Capital Increase Report Form
Eternal Energy Public Company Limited (the “Company”)
Dated 15 March 2022

We, Eternal energy Public Company Limited (the “Company”), hereby reports the resolutions of the Board of Directors’ meeting of the Company No. 3/2022, which was held on March 15, 2022, with respect to the increase in registered capital and the allocation of newly issued ordinary shares, as follows:

1. Capital Decrease/Increase

- 1.1 The Board of Directors’ meeting of the Company resolved to propose to the Shareholder’s meeting to consider and approve the increase of Baht 3,580,000,000 in the registered capital of the Company from the existing registered capital of Baht 4,170,000,000 to the new registered capital of Baht 7,750,000,000 by issuing 3,580,000,000 ordinary shares to accommodate the offering of newly issued ordinary shares to the existing shareholders proportionate to their respective shareholders (Rights Offering), with a par value of Baht 1 per share, so that the increased registered capital is totaling Baht 2,780,000,000 and to accommodate the adjustment of right of the Warrant Representing the Right to Purchase Newly Issued Ordinary Shares of Eternal Energy Public Company Limited No. 1 (EE-W1) in the amount of Baht 800,000,000.
- 1.2 The Company has a total of 1,390,000,000 authorized but unissued ordinary shares to accommodate the exercise of the Warrant Representing the Right to Purchase Newly Issued Ordinary Shares of Eternal Energy Public Company Limited No. 1 (EE-W1), totalling 1,390,000,000 warrants. Therefore, it is not necessary for the Company to cancel said authorized but unissued shares pursuant to Section 136 of the Public Company Act B.E. 2535 (as amended).

Capital Increase	Type of Share	Number of Shares	Par Value (Baht per Share)	Total Value (Baht)
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds	Ordinary share	3,580,000,000	1	3,580,000,000
<input type="checkbox"/> General Mandate	Ordinary share	-	-	-
	Preferred share	-	-	-

2. Allocation of Newly Issued Ordinary Shares

The Specific Purpose of Utilizing Proceeds

2.1. Details of the allocation

Allocated to	Number of Shares	Ratio (Current : New)	Offering Price (Baht per Share)	Subscription Period and Share Payment	Note
The existing shareholders of the Company proportionate to their respective shareholdings (Rights Offering) on the date for determining the list of shareholders entitled be allocated with the newly issued ordinary shares (Record Date) of March 31, 2022.	2,780,000,000	1 existing share: 1 new share	Baht 0.50	Please see Note No.1.	Please see Notes No.1, and 2.
to accommodate the adjustment of right of the Warrant Representing the Right to Purchase Newly Issued Ordinary Shares of Eternal Energy Public Company Limited No. 1 (EE-W1)	800,000,000	Please see Note No.13.	Please see Note No.3.	-	Please see Notes No.1, and 3.

Note:

- The Board of Directors or the Chief Executive Officer or persons authorized by the Board of Directors or the Chief Executive Office shall have the power to contact, negotiate, amend, agree, execute, and deliver all relevant documents and/or instruments, including but not limited to contacting, organizing and submitting any application forms for permission, waivers (if any), and necessary and relevant evidence to the relevant government agencies or relevant authorities, including Thailand Securities Depository Company Limited, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand ("SET") and the Ministry of Commerce,

as well as amending the relevant information memorandum to be disclosed, disclosing relevant information, making statements and providing information to relevant authorities, and determining and/or amending conditions and details in relation to the issuance and allocation of the newly issued ordinary shares for offering to the existing shareholders proportionate to their respective shareholdings (Rights Offering), subject to the relevant rules and laws, which shall include but not be limited to:

- (1) single or sequential allocations of the newly issued shares, the subscription period, the offering price, the share payment, the method of allocation including other conditions and details relating to such allocation of newly issued shares;
 - (2) appointing a financial advisor for the entry into the negotiations and agreements and execution of any documents and agreements in relation to such allocation of the newly issued ordinary shares, including any actions in connection with such allocation of the newly issued ordinary shares;
 - (3) signing any application forms for permission, waivers (if any), and necessary and relevant evidence in relation to the allocation and the offering of the newly issued ordinary shares, including the certification of relevant documents and contacting, including the arranging and submission of applications forms for permission, waivers (if any) and necessary evidence to the relevant government agencies or relevant authorities; and
 - (4) listing the newly issued ordinary shares of the Company on the SET and taking any action necessary and relevant for the entering into such transaction in all respects until completion of the transaction, including the appointment and/or removal of a substitute to take the foregoing actions.
2. The Company will issue and offer the newly issued ordinary shares to the the existing shareholders proportionate to their respective shareholdings (Rights Offering) at the ratio of 1 existing ordinary share to 1 newly issued ordinary share; any fraction will be discarded. The offering price is Baht 0.50 per share, totalling no more than Baht 1,390,000,000. The subscription period for the newly issued ordinary shares will be determined by the Board of Directors later. The Company determines the date for determining the list of shareholders entitled to subscribe and be allocated with the newly issued ordinary shares proportionate to their respective shareholdings (Record Date) to be on March 31, 2022 or any other date as otherwise specified by the Board of Director. However, the issuance and offering of the newly issued ordinary shares to the existing shareholders is uncertain until it is approved by the Annual General Meeting of Shareholders of the Company for the year 2022.

As the offering price is Baht 0.50 per share which is a price lower than the par value of the Company's shares, the Company is required to obtain an approval from the Annual General Meeting of Shareholders of the Company for the year 2022, pursuant to Section 52 of the Public Limited Companies Act B.E. 2535 (1992) (as amended). The Company is able to offer the ordinary shares at a price lower than the par value of the Company's shares since the Company has accumulated losses according to the Company's separate financial statement for the period ended December 31, 2021, which had been audited by the certified auditors of the Company.

In the case where there are the newly issued ordinary shares remaining after the first allotment to all existing shareholders proportionate to their respective shareholdings, the Company will allot the remaining unallotted shares to the shareholders who express their intention to subscribe for additional newly issued ordinary shares in excess to their share allotment proportionate to their shareholding (Oversubscription) at the same offering price. The Company will proceed with the allotment of shares until there are no remaining newly issued ordinary shares left for further allotment or until no more shareholder expresses the intention to subscribe for the newly issued ordinary shares. However, if there are remaining shares left from the allotment to the shareholders, the Company will proceed with the capital decrease by cancelling such unallotted shares and will not offer such shares to specific investors.

In case where there are shareholders expressing their intention to oversubscribe for the newly issued ordinary shares in excess of their respective shareholdings and the result of which is that there is an increase in shareholding in the Company of the shareholder and the persons under Section 258 of the Securities and Exchange Act B.E. 2535 (1992), as amended, of such shareholder such that it reaches or exceeds any trigger point to make a tender, such shareholder is required to make a tender offer for all securities of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 (2011) Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (the "**Notification on the Acquisition of Securities for Business Takeovers**"), except in the case where such shareholder is exempted from making the tender offer for all securities of the Company according to the Notification on the Acquisition of Securities for Business Takeovers.

In the allotment of the newly issued ordinary shares, the Company reserves the right to not allocate shares to any subscriber if such allotment violates or may result in the violation of foreign shareholding restrictions set out in the Articles of Association of the Company which currently allows the foreign shareholders to hold shares in the Company in the amount not exceeding 49 percent of the total number of sold shares of the Company.

- 3) The Company is unable to calculate the adjustment rate of the Warrants at this time as in calculating the new adjustment price and adjustment ratio, the Company shall use the market price of the Company for calculation which is equal to the weighted average market price per share of the Company's ordinary shares that were traded on the SET during the period of 14 consecutive business days prior to the first day on which the purchasers of the ordinary shares shall not be entitled to subscribe for the newly issued ordinary shares (the first day on which the SET posts XR sign), which cannot be calculated at the present time. In this regard, the Company has estimated the newly issued ordinary shares to support the adjustment of rights under the Warrants. The Company would be able to calculate the exercise price of the adjusted rights on March 29, 2022 which is the day before the first day on which the purchasers of the ordinary shares shall not be entitled to subscribe for the newly issued ordinary shares (the first day on which the SET posts XR sign).

2.2. Procedure of the Company regarding Fractions of Shares

The allocation of newly issued ordinary shares to the existing shareholders of the Company proportionate to their respective shareholdings (Rights Offering) – in the case that there are fractions of shares arising from the allocation of shares to shareholders, such fractions of shares shall be discarded in their entirety.

3. Determination of the Date of the Annual General Meeting of Shareholders for the year 2022 to Request for an Approval of Capital Increase and Allocation of Newly Issued Ordinary Shares

The Annual General Meeting of Shareholders for the year 2022 is scheduled to be convened on April 29, 2022, at 2 p.m., via E-meeting.

- Determining the book closing date that the share register will be closed to share transfers in order to determine the right to attend the shareholders' meeting from until the shareholders' meeting has been duly convened.
- Determining the list of shareholders entitled to attend the shareholders' meeting (Record Date) on March 31, 2022.

4. Approval for the Capital Increase and the Allotment of Newly Issued Shares by Relevant Governmental Agency and Conditions thereto (if any)

4.1 Registration of the increase of registered capital, amendment to the Memorandum of Association, and the increase in the paid-up capital with the Department of Business Development, the Ministry of Commerce.

4.2 The Company will file the application to the SET for the approval for the listing of the newly issued ordinary shares as listed securities and to be traded on the SET.

5. Objectives of the Capital Increase and Plans for Utilizing Proceeds Received from the Capital Increase

Please see item 2, Objectives of the issuance of the newly issued ordinary shares and plans to utilize proceeds of the Information Memorandum regarding the Offering of the Newly Issued Ordinary Shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering) (Enclosure 3).

For the proceeds from the allocation of shares to accommodate the adjustment of right of the Warrant Representing the Right to Purchase Newly Issued Ordinary Shares of Eternal Energy Public Company Limited No. 1 (EE-W1), the Company will use such proceeds for the internal cash flow for the business operation and investment in businesses in the future.

6. Benefits which the Company will Receive from the Capital Increase and the Allocation of the Newly Issued Shares

1. The Company will use the proceeds for the expansion of the investment on the hemp cultivation (upstream business) to hemp extraction (midstream business) which is a continuous business based on the supply chain that is expected to have a higher profit margin, which will give the Company more revenue and more stable revenue.
2. The Company will have funds available for its investment in new projects which shall enhance the opportunities to generate income and expand the Company's business in the future.
3. The Company shall have more liquidity from working capital received from the capital increase which will reinforce the Company's financial position, resulting in the Company carrying on its business continuously.
4. The capital increase and the allocation of the newly issued ordinary shares to the existing shareholders do not result in an interest burden from debt financing and it is an expansion of capital base to prepare the Company, in terms of its financial position, in cases where the company needs to seek sources of capital for future business expansion.
5. The capital increase and the allocation of the newly issued shares to the existing shareholders shall not have an effect on the voting right of the Company's Shareholders (Control Dilution) in the case where all Shareholders subscribe to the newly issued ordinary shares proportionately.

7. Benefits which the Shareholders will Obtain from the Capital Increase and the Allocation of the Newly Issued Shares

7.1 Dividend Policy

Not less than 40 percent of the net profits, after income tax and legal reserves. Such rate is subject to change as deemed necessary and appropriate by taking into account the maximum benefit of the shareholders.

7.2 The subscriber for the newly issued ordinary shares will become a Shareholder of the Company from the date on which the share registrar of the Company records the name of such person as a shareholder in the share register book of the Company and the Company has completed the registration of the increase in the paid-up capital with the Department of Business Development. In case that the Company pays for dividend, such person, as a Shareholder of the Company, shall be entitled to such dividend.

8. Other Details Necessary for Shareholders to Consider Approving the Capital Increase and Allocation of Newly Issued Ordinary Shares

- None -

9. Schedule of Actions in case where the Board of Directors of the Company Passes a Resolution to Approve the Capital Increase and the Allotment of Newly Issued Ordinary Shares

No.	Procedures	Date/Month/Year
1.	The Meeting of the Board of Directors of the Company No. 3/2022	15 March 2022
2.	The date for determining the list of shareholders entitled to attend the Annual General Meeting of Shareholders for the year 2022 and the list of shareholders entitled to subscribe and be allocated with the Company's newly issued ordinary shares proportionate to the respective shareholdings (Rights Offering) (Record Date)	31 March 2022
3.	The Annual General Meeting of Shareholders for the year 2022	29 April 2022
4.	Registration of the increase of registered capital and amendment to the Memorandum of Association with the Department of Business Development, the Ministry of Commerce	Within 14 days from the date on which approval is granted by the shareholders' meeting
5.	Period for the subscription and the payment for the newly issued ordinary shares proportionate to the respective shareholdings (Rights Offering).	The Board of Director will determine the date later.
6.	Registration of the change in paid-up capital with the Department of Business Development, the Ministry of Commerce	Within 14 days from the date on which payment for the shares was received.

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

Please be informed accordingly.

Yours sincerely,

(Mr.Worasak Kriengkamol)

Chief Executive Officer

Authorized Person to Disclose Information

Information Memorandum on the Offering of the Newly Issued Ordinary Shares to the Existing Shareholders Proportionate to Their Respective Shareholdings (Rights Offering)

The Board of Directors' Meeting of Eternal Energy Public Company Limited (the "Company") No. 3/2022 held on March 15, 2022 resolved to approve the allotment of newly issued ordinary shares of the Company in total number of 2,780,000 shares with the par value of Baht 1 per share, or equivalent to 50 percent of the paid-up capital of the Company after the offering of the newly issued shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering) at the ratio of 1 existing ordinary shares to 1 newly issued ordinary share, any fraction of which shall be discarded, with the offering price of Baht 0.5 per share, totaling not exceeding Baht 1,390,000,000, to accommodate the allocation of the newly issued ordinary shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering). The Annual General Meeting of Shareholders for the year 2022 shall be further proposed to consider and approve on April 29, 2022.

The details related to the offering of the newly issued ordinary shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering) appear in the Capital Increase Report Form (F53-4) (Enclosure 2) and this Information Memorandum on the Offering of the Newly Issued Ordinary Shares to the Existing Shareholders Proportionate to Their Respective Shareholdings (Rights Offering).

1. Details of the Issuance and the Offering

The Company will issue 2,780,000,000 newly issued ordinary shares of the Company with the par value of Baht 1 per share, which is equivalent to 50 percent of the Company's paid-up capital after the capital increase from the offering of the newly issued shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering) at the ratio of 1 existing ordinary shares to 1 newly issued ordinary share (totaling 2,780,000,000 shares to be allotted). Any fraction of shares after calculation shall be discarded. The offering price is Baht 0.50 per share, totaling not exceeding Baht 1,390,000,000. The subscription period for the newly issued ordinary shares of the Company will be determined by the Board of Directors later.

In case where there are the newly issued ordinary shares remaining after the first allotment to all existing shareholders proportionate to their respective shareholdings, the Company will allot the remaining unallotted shares to the shareholders who express their intention to subscribe for additional newly issued ordinary shares in excess to their share allotment proportionate to their shareholding (Oversubscription) at the same offering price. The Company will proceed with the allotment of shares until there are no remaining newly issued ordinary shares left for further allotment or until no more shareholder expresses the intention to subscribe for the newly issued ordinary shares. However, if there are remaining shares left from the allotment to the shareholders, the Company will proceed with

the capital decrease by cancelling such unallotted shares and will not offer such shares to specific investors.

In case where there are shareholders expressing their intention to oversubscribe for the newly issued ordinary shares in excess to their respective shareholdings and the result of which is that there is an increase in shareholding in the Company of the shareholder and the persons under Section 258 of the Securities and Exchange Act B.E. 2535 (1992) (including the amendments thereof) of such shareholder such that reaches or exceeds any trigger point to make a tender, such shareholder is required to make a tender offer for all securities of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 (2011) Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (the "**Notification on the Acquisition of Securities for Business Takeovers**"), except for the case that such shareholder is exempted from making the tender offer for all securities of the Company according to the Notification on the Acquisition of Securities for Business Takeovers.

In the allotment of the newly issued ordinary shares, the Company reserves the right to not allocate shares to any subscriber if such allotment violates or may result in the violation of foreign shareholding restriction set out in the Articles of Association of the Company which currently allows the foreign shareholders to hold shares in the Company in the amount not exceeding 49 percent of the total number of sold shares of the Company.

In this regard, the offering price of Baht 0.50 is a price lower than the par value of the Company's shares. The Company is required to obtain an approval from the shareholders' meeting, pursuant to Section 52 of the Public Limited Companies Act B.E. 2535 (1992) (including the amendments thereof) (the "**PLC Act**"). The Company is able to offer the ordinary shares at the price lower than the par value of the Company's shares since the Company has accumulated losses according to the separate statement of financial position of the Company ended December 31, 2021, which had been audited by the certified auditor of the Company.

The Company determines the date for determining the list of shareholders entitled to subscribe and be allocated with the newly issued ordinary shares proportionate to their respective shareholdings (Record Date) to be on March 31, 2022. The Board of Directors shall be authorized to amend the date for determining the list of shareholders entitled to subscribe and be allocated with the newly issued ordinary shares (Record Date) as appropriate. In this regard, the issuance and offering of the newly issued ordinary shares to the existing shareholders is still uncertain until the Company obtains the approval from the Annual General Meeting of Shareholders of the Company for the year 2022.

2. Objectives of Issuance of the Newly Issued Ordinary Shares and Plans to Utilize Proceeds

In case all of the newly issued ordinary shares issued and offered by the Company to the existing shareholders proportionate to their respective shareholdings (Rights offering) are fully subscribed, the Company shall raise fund in the amount of Baht 1,390,000,000. The Company shall utilize capital for the investment for the following purposes in order to enhance the opportunities to generate income and expend the Company's business.

No.	Objectives to utilize proceeds from capital increase	utilized amount of expected proceeds from capital increase of Baht 1,390 million	Expected period of time to use proceeds
1.	To invest in the assets relevant to hemp/cannabis extraction factory (such as land, factory construction cost, machinery, equipment and costs in relation to the application for the relevant licenses)	350 million	Within 2022
2.	Working capital for the hemp/cannabis extraction factory project	840 million	2022 - 2023
3.	Reserve for the internal working capital of the Company and/or investment in other projects	200 million	2022 - 2023

Nevertheless, before the Company utilizes the proceeds for investing in several projects as outlined in the above table, the Company may consider utilizing the proceeds for investing in financial instruments or granting secured lending and/or low-risk lending for an appropriate profitability and the utmost benefits for the Company, as deemed appropriate by the board of directors.

In this regard, the above plan to utilize proceeds may be adjusted due to business profits, cash flow, business plan, investment plan, the amount gained from the capital increase, other necessity, and suitability as the Board of Directors deems appropriate, whereby the benefits of the Company and shareholders shall be significantly taken into account as priority.

3. Potential Effects on Shareholders from the Capital Increase and the Allocation of the Newly Issued Shares

The offering of the newly issued ordinary shares by the Company shall affect shareholders as follows:

3.1 Effect on Stock Market Price (Price Dilution)

After the issuance and offering of the newly issued ordinary shares offered to the existing shareholders proportionate to their respective shareholdings (Rights Offering), the effect on the share price will depend on the rights exercised by each of the existing shareholders. In the case that all existing shareholders exercise their rights to subscribe for the newly issued shares according to their existing rights, there will be no price dilution.

However, in the event that some shareholders choose not to exercise their rights to subscribe for the newly issued ordinary shares according to their rights and other shareholders exercise their rights to subscribe for the newly issued ordinary shares in accordance with their rights and/or subscribe for the newly issued ordinary shares in excess of their rights (Oversubscription) in which the newly issued ordinary shares is subscribed in full amount, there will be price dilution.

In the case that the offering of the newly issued ordinary shares of the Company to the existing shareholders proportionate to their respective shareholdings (Rights Offering) is subscribed in full amount, for the shareholders who elect not to exercise the right to subscribe the newly issued shares proportionate to their respective shareholdings (Rights Offering) at all, the effect on the Price Dilution will be as follows:

$$\begin{aligned}
 \text{Price Dilution} &= (\text{Market Price before the Offering} - \text{Market Price after the Offering}) / \\
 &\quad \text{Market Price before the Offering} \\
 &= (1.71 - 1.11) / 1.71 \\
 &= 35.38 \text{ percent}
 \end{aligned}$$

Whereby

$$\begin{aligned}
 \text{Market Price before the Offering} &= \text{weighted average price of the Company's shares during 7} \\
 &\quad \text{consecutive business days before the date of the Board of} \\
 &\quad \text{Directors' meeting No. 3/2022 held on March 15, 2022} \\
 &\quad \text{(between March 4 - 14, 2022), which equals to Baht 1.71} \\
 &\quad \text{per share}
 \end{aligned}$$

$$\begin{aligned}
 \text{Market Price after the Offering} &= ((\text{Number of paid-up shares before capital increase} \times \\
 &\quad \text{Market Price before the Offering}) + (\text{Number of RO shares} \times \\
 &\quad \text{RO Offering Price})) / (\text{Number of paid-up shares before} \\
 &\quad \text{capital increase} + \text{Number of RO shares}) \\
 &= \underline{(2,780,000 \times 1.71) + (2,780,000 \times 0.50)}
 \end{aligned}$$

$$(2,780,000 + 2,780,000)$$

$$= \text{Baht 1.11 per share}$$

3.2 Effect on Voting Rights of Shareholders (Control Dilution)

After the issuance and offering of the newly issued ordinary shares offered to the existing shareholders proportionate to their respective shareholdings (Rights Offering), in the case that all existing shareholders exercise their rights to subscribe for the newly issued shares according to their existing rights, it will not affect the voting rights of the shareholders (Control Dilution), and in the event that all existing shareholders do not exercise their rights to subscribe for the newly issued ordinary shares, the Company will reduce its registered capital by decreasing the newly issued ordinary shares remaining from the offering which will result in no change in the number of paid-up shares and no effect on the voting rights of the shareholders of the Company (Control Dilution).

However, in the event that some shareholders choose not to exercise their rights to subscribe for the newly issued ordinary shares according to their rights and other shareholders exercise their rights to subscribe for the newly issued ordinary shares in accordance with their rights and/or subscribe for the newly issued ordinary shares in excess of their rights (Oversubscription) in which the newly issued ordinary shares is subscribed in full amount, this will affect the voting rights of the Company's shareholders (Control Dilution) as follows:

In the case that the offering of the newly issued ordinary shares of the Company to the existing shareholders proportionate to their respective shareholdings (Rights Offering) in full amount. For the shareholders who elect not to exercise the right to subscribe the newly issued shares proportionate to their respective shareholdings (Rights Offering) at all, the effect on the Control Dilution will be as follows:

$$\begin{aligned} \text{Control Dilution} &= \text{Number of RO shares} / (\text{Number of paid-up shares before} \\ &\quad \text{capital increase} + \text{Number of RO shares}) \\ &= 2,780,000,000 / (2,780,000,000 + 2,780,000,000) \\ &= 50 \text{ percent} \end{aligned}$$

3.3 Effect on Earnings per Share (Earnings per Share Dilution)

The calculation is not available as, according to the audited consolidated statement of financial position ended December 31, 2021, the Company is operating at a loss.

3.4 Worthiness that Shareholders Received in Comparison to the Effects on Earnings per Share or Voting Rights of the Shareholders

It is a necessity for the Company to increase the capital so that the Company has the capital to support business operation plan, as specified in item 2. Objectives of the issuance of the newly issued ordinary shares and plans to utilize proceeds of this Information Memorandum. This would strengthen the Company's group and cause the utmost benefit to the Company and the shareholders. In addition, the capital increase is to offer shares to the existing shareholders of the Company proportionate to their respective shareholdings. In the case where the shareholders fully subscribe the newly issued ordinary shares according to their respective shareholdings, there will be no effect on voting right. Therefore, after comparing the benefit from the capital increase and the effects on the shareholders, the Company considers that the capital increase would rather cause benefit to the shareholders.

Moreover, through the offering of the newly issued ordinary shares, the Company will receive the following benefits from such capital increase and the allocation of the newly issued shares:

1. The Company will use the proceeds for the expansion of the investment on the hemp cultivation (upstream business) to hemp extraction (midstream business) which is a continuous business based on the supply chain that is expected to have a higher profit margin, which will give the Company more revenue and more stable revenue.
2. The Company will have the source of funding for the new projects, which will increase the opportunity to generate revenue as well as improve the Company's business expansion capacity.
3. The Company will achieve better liquidity because of the working capital from the capital increase, which will reinforce the Company's financial position and help the Company operate its business continuously.
4. The capital increase and the allocation to the existing shareholders does not incur interest burden from debt, and, at the same time, help expand the Company's equity and improve its readiness in financial position in the event that the Company has to seek other sources of funding for future business expansion.
5. The capital increase and the allocation to the existing shareholders do not result in Control Dilution if each shareholder subscribes to the newly issued ordinary shares in full amount according to their rights.

3.5 Impact to Financial Statements from the Issuance of Shares at Price Lower than Par Value

The offering of shares for sale at a price lower than the par value will have an impact on the Company's financial statements in part of shareholder's equity, which is share discount. The newly issued shares shall be issued at the offering price at Baht 0.50 per share which is lower than the par value of Baht 1 per share. As such, there shall be the share discount of Baht 0.50 per share. The maximum share

discount arising out of this issuance of shares, in the case where they are fully subscribed, shall be Baht 1,390,000,000 in aggregate.

4. Opinion of the Board of Directors of the Company regarding the Matters Specified in the Notification of Capital Market Supervisory Board No. Torchor. 73/2558 Re: Particulars of Notice to Convene Shareholders' Meeting of Listed Companies to Obtain Approval on Issuance and Offer of Securities

4.1 Reasons and Necessity for Capital Increase

It is a necessity for the Company to increase the capital by issuing the newly issued ordinary shares to the existing shareholders so that the Company has capital to support business operation plan, as specified in item 2. Objectives of the issuance of the newly issued ordinary shares and plans to utilize proceeds of this Information Memorandum, as well as to increase liquidity and to utilize as capital and/or working capital for purposes of operation, expansion of core business and relevant business and business extension of the Company and subsidiaries in the future. This shall enhance the Company's potential to establish stability and sustainability for the business operation of the Company and subsidiaries in a long run.

Moreover, the Board of Directors opines that, in consideration of the current economic situation, which is highly uncertain, the offering of newly issued ordinary shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering) is another option for the Company to obtain cash flow from fund raising for the purpose of the above objectives faster than other method for raising fund. In addition, it shall not increase indebtedness and duties to the Company.

4.2 Possibilities of Plan to Utilize Proceeds from the Share Offering

The Company expects to issue and offer the shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering) and receive proceeds from the said offering of shares in the number of Baht 1,390,000,000, under the condition that all the existing shareholders exercise their respective rights to fully subscribe for the newly issued ordinary shares by June 2022.

4.3 Suitability of the Capital Increase and Sufficiency of Funds

It is a necessity for the Company to raise additional fund of Baht 1,390,000,000, approximately, to support business operation plan of the Company. The Company has planned to expand core business and relevant business of the Company and extend business of the Company and subsidiaries in the future, which shall generate an appropriate profitability. This results in the Company's requirement of more amount of working capital. After considering several alternatives to raise fund, the Board of Directors opines that the offering of the newly issued shares to the existing shareholders is suitable, reasonable, and beneficial for the Company at present. Moreover, the Company shall gain benefits as specified in item 6, Benefits which the Company will receive from the capital increase and the allocation of the newly issued shares, of the Capital Increase Report Form (Enclosure 2).

In this regard, this offering of the newly issued shares will enable the Company to raise Baht 1,390,000,000, approximately, and to have sufficient fund for contemplated business plan as stated in item 2, Objectives of the issuance of the newly issued ordinary shares and plans to utilize proceeds in this Information Memorandum.

However, In the case where the Company is unable to fully offer the shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering) or this offering of the newly issued shares is not successful, the Company and/or its subsidiaries may utilize cash flow from its business operation or consider borrowing money from domestic financial institutions in order to complete the above investment.

4.4 Expected Impacts on the Business Operation of the Company, as well as the Financial Position and Performance of the Company from the Capital Increase and Undertaking according to the Plan to Utilise Proceeds

The capital increase by way of issuance and offering of the ordinary shares to the existing shareholders of the Company proportionate to their respective shareholdings (Rights Offering) will strengthen the Company's performance and financial position. The Company will utilize the proceeds received from such capital increase to expand core business and relevant business and extend business of the Company in order for the Company to have the potential to compete with the other. In this regard, the said capital increase shall benefit to growth and increase in the Company's capability to generate profits, as well as to enable the Company to have stable financial position, resulting in the benefits to the Company and all of the shareholders.

4.5 Expected effects to the Company in the case that the Newly Issued Ordinary Shares are Not Fully Subscribed

If the Company cannot fully offer shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering) or this offering of the newly issued shares is not successful, the Company may not be able to invest in some projects as outlined above or the Company may utilize cash flow from its business operation or consider borrowing money from domestic financial institutions in order to complete the above investment.

5. Directors' Affirmation

In case where the directors of the Company do not perform their duties in compliance with the law, objectives and the Articles of Association of the Company, as well as the resolution of the shareholders' meeting, with loyalty and care in the protection of benefits of the Company in relation to the capital increase by performing an act or omitting to act which is considered a non-performance of duties and causing damage to the Company, the Company is able to claim for the compensation from such director. If the Company does not claim for such compensation, one or more shareholders holding the

aggregate number of shares in of not less than 5 percent of the total number of sold shares of the Company may notify the Company to make a claim for compensation and if the Company does not proceed with the matter notified by the shareholder(s), such shareholder(s) is able to file legal action against such director for the compensation on behalf of the Company pursuant to Section 85 of the PLC Act. Furthermore, if any action or omission of the director which is not a performance of duties in compliance with the law, objectives and the Articles of Association of the Company, as well as the resolution of the shareholders meeting, with loyalty and care in the protection of benefits of the Company in relation to the capital increase causes any director or his/her related persons to obtain undue benefits, the Company may file legal action against the director for disgorgement of such benefits to the Company, or one or more shareholders holding the aggregate number of shares in of not less than 5 percent of the total number of sold shares of the Company may notify the Company to proceed with such action and if the Company fails to proceed with the matter as directed within one month from the date of the notice, such shareholder(s) may exercise the rights to bring an action for disgorgement of benefits on behalf of the Company pursuant to Section 89/18 of the Securities and Exchange Act B.E. 2535 (1992) (including the amendments thereof).

Please be informed accordingly.

Yours sincerely,

(Mr.Worasak Kriengkamol)

Chief Executive Officer
Authorized Person to Disclose
Information