

1 December 2022

Subject: Board resolutions Re. Establishment of the new subsidiaries, Disposition of investment in subsidiary and Borrowing from connected person

To: President, The Stock Exchange of Thailand

The Board of Directors Meeting No. 6/2022 of MFEC Public Company Limited (“The Company”) held on 1 December 2022 has approved the significant resolutions below:

1. Approved the establishment of the new 2 subsidiaries for the purpose of the Company’s internal restructure, details as follows:

New subsidiary No. 1

Name of subsidiary: Eastwind Holdings Co., Ltd. (“EWH”)
Value of register capital at the establishment date: Baht 51,000,000 comprised of 510,000 ordinary shares at par value of Baht 100 per share
Shareholding structure:

Shareholders’ name	No. of shares/ shareholders portion	Investment amount (Baht)
MFEC Public Company Limited	480,477 shares holding a stake of 94.21%	48,047,700
Other shareholders	29,523 shares holding a stake of 5.79%	2,952,300
Total	510,000 shares	51,000,000

Connected characteristics: This transaction is not a connected transaction with the Notification of the Capital Market Supervisory Board No. Tor.Chor.21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies concerning to the connected transactions BE 2546 (2003)

Size of the Assets acquisition: Maximum transaction size based on the total value of the consideration 0.86% of total assets of the Company. Based on the consolidated financial statements of the Company as of 30 September 2022.

Type of business: Invest in securities
Purpose of investment: The Company’s internal restructure
Source of fund: Working capital of the Company

New subsidiary No. 2

Name of subsidiary:	Vulcan Digital Delivery Co., Ltd. (“VDD”)												
Value of register capital at the establishment date:	Baht 50,000,000 comprised of 500,000 ordinary shares at par value of Baht 100 per share												
Shareholding structure:	<table border="1"> <thead> <tr> <th>Shareholders’ name</th> <th>No. of shares/ shareholders portion</th> <th>Investment amount (Baht)</th> </tr> </thead> <tbody> <tr> <td>Eastwind Holdings Co., Ltd.</td> <td>499,998 shares holding a stake of 100%</td> <td>49,999,800</td> </tr> <tr> <td>MFEC assigner person</td> <td>2 shares holding a stake of -</td> <td>200</td> </tr> <tr> <td>Total</td> <td>500,000 shares</td> <td>50,000,000</td> </tr> </tbody> </table>	Shareholders’ name	No. of shares/ shareholders portion	Investment amount (Baht)	Eastwind Holdings Co., Ltd.	499,998 shares holding a stake of 100%	49,999,800	MFEC assigner person	2 shares holding a stake of -	200	Total	500,000 shares	50,000,000
Shareholders’ name	No. of shares/ shareholders portion	Investment amount (Baht)											
Eastwind Holdings Co., Ltd.	499,998 shares holding a stake of 100%	49,999,800											
MFEC assigner person	2 shares holding a stake of -	200											
Total	500,000 shares	50,000,000											
Connected characteristics:	This transaction is not a connected transaction with the Notification of the Capital Market Supervisory Board No. Tor.Chor.21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies concerning to the connected transactions BE 2546 (2003)												
Size of the Assets acquisition:	Maximum transaction size based on the total value of the consideration 0.89% of total assets of the Company. Based on the consolidated financial statements of the Company as of 30 September 2022.												
Type of business:	Providing development and implementation software systems and platforms and system integration services												
Purpose of investment:	The Company’s internal restructure												
Source of fund:	Working capital of the Company												

The establishment of 2 new subsidiary companies is considered as the assets acquisition transaction according to the Notification of the Capital Market Supervisory Board No. Tor Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposition 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 Assets BE 2547 (2004) (“Acquisition and Disposition Notifications”). The maximum transaction size is 1.75% based on the total value of consideration, which is the maximum transaction size calculated from the consolidated financial statements of the Company that have been reviewed by the Certified Public Accountant as of 30 September 2022, and when inclusive of the 6-month period, the highest criterion is the total value of consideration. The transaction size is equal to 1.97%, which is considered as the transaction with the value of less than 15 percent of the total assets of the company. Therefore, the Company is not obliged to disclose information according to the Notification of Acquisition or Disposal of Assets.

2. Approved the Company’s internal business restructure in which assets used in the ‘Digital Delivery’ Business Unit under the Company, such as computers and related IT equipment, transferring to Vulcan Digital Delivery Co., Ltd. or VDD, an indirect subsidiary of the Company, and transferring of employees approximately to 300 persons in the position of software developers and related staffs in support function under ‘Digital Delivery’, a Business Unit of the Company to VDD.

In addition, to serve the customers of the Company during, pre & post the transitional period of the M&A transaction stated in 3. Below, the Company will appoint VDD to act as sub-contractor for Digital Delivery Business Unit (on behalf of the Company) to provide software development services for the project in which business service is still in processing under software development agreement, or in which project that is still under warranty period, including any services may incur in future under Maintenance Agreement (MA).

3. Approved Eastwind Holdings Co., Ltd. (“EWH”), a subsidiary of the Company, to transfer entire of EWH’s business under the process of the Entire Business Transfer (EBT) and its operations to Bluebik Group Public Company Limited (“BBIK”), as a result of the Entire Business Transfer, all assets, liabilities, rights, duties and responsibilities of EWH both existing and incurring in future as of the business transfer date, which is mainly representing ordinary shares in VDD, will be transferred to BBIK. EWH and its subsidiary under EWH’s ownership i.e. VDD, will cease from subsidiary of the Group at the completion date of Entire Business Transfer.

EWH will receive the consideration paid in cash payment from EBT transaction to BBIK at the total amount of Baht 691,000,000 at the completion date of Entire Business Transfer, in which EBT transaction is expected to complete within March 2023.

The EBT is considered as disposal transaction which can be calculated with maximum transaction size by 12.33% based on the total value of consideration, when combine with the past disposition transaction of assets during the 6 months prior to the transaction which is 0.11% (based on NTA method), the highest total transaction size is 12.44%. As a result, such transaction size is not deemed to be subject to the declaration of acquisition or disposition of assets and is not considered a connected transaction, but rather a report on the disposition of investments in subsidiaries resulting in the desolation of the subsidiary as a subsidiary of the Company. Therefore, the Company is required to disclose the transaction to the Stock Exchange of Thailand. *The details are described in Enclosure No. 1.*

4. Approved the borrowing from TIS Inc. (“The Lender”) who is the major shareholder holding 48.99% of the Company authorized and issued ordinary share with loan facility not exceeding to Yen 2 billion (or approximate amount to Baht 520 million). This connected transaction defined as receipt of financial assistance. The value used to calculate the size of transaction is the value of the interest or benefits to be repaid to the connected person throughout the period of financial assistance with transaction size Baht 7,800,000 or 0.46% of the Company’s Net Tangible Assets “NTA” as of 30 September 2022. Considering that the total value of this connected transaction is over Baht 1 million but less than Baht 20 million or has transaction size over 0.03% but less than 3% of the Company’s Net Tangible Asset, whichever is higher under general commercial conditions. As per the criteria, the information must be disclosed to the Stock Exchange of Thailand. Therefore, the Company would like to disclose the information *as details described in the Enclosure No. 2.*

Please be informed accordingly.

Sincerely yours,
- *Siriwat Vongjarukorn* -
(Mr. Siriwat Vongjarukorn)
Chief Executive Officer

**Disposition of Investment in subsidiaries resulting in the subsidiaries ceasing
to be the Company's subsidiaries**

1. Date of the transaction

The date of the Board of Directors Meeting of the Company approved of the transaction is on 1st December 2022, however, the counter party of this transaction is Bluebik Group Public Company Limited ("BBIK"), who is the transferee of the entire business. The transaction must be approved by the Extraordinary General Meeting of the Shareholders (EGM) of BBIK in accordance with the Notification of the Capital Market Supervisory Board No. Tor. Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposition 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 Assets BE 2547 (2004) ("Acquisition and Disposition Notifications"). BBIK has convened the Extraordinary General Meeting of Shareholders on 13 February, 2023 to consider and approve the transaction with the Company. In this regard, the Company expects to complete the transaction within March 2023.

2. Related Parties and Relationships with Listed Company

Transferor: Eastwind Holdings Co., Ltd. ("EWH") a subsidiary holding shares by the Company at 99.999% of issue and paid-up capital

Transferee: Bluebik Group Public Company Limited ("BBIK")

Relationship with the Company: The transferor and the transferee have no relationship between each other and no connected persons.

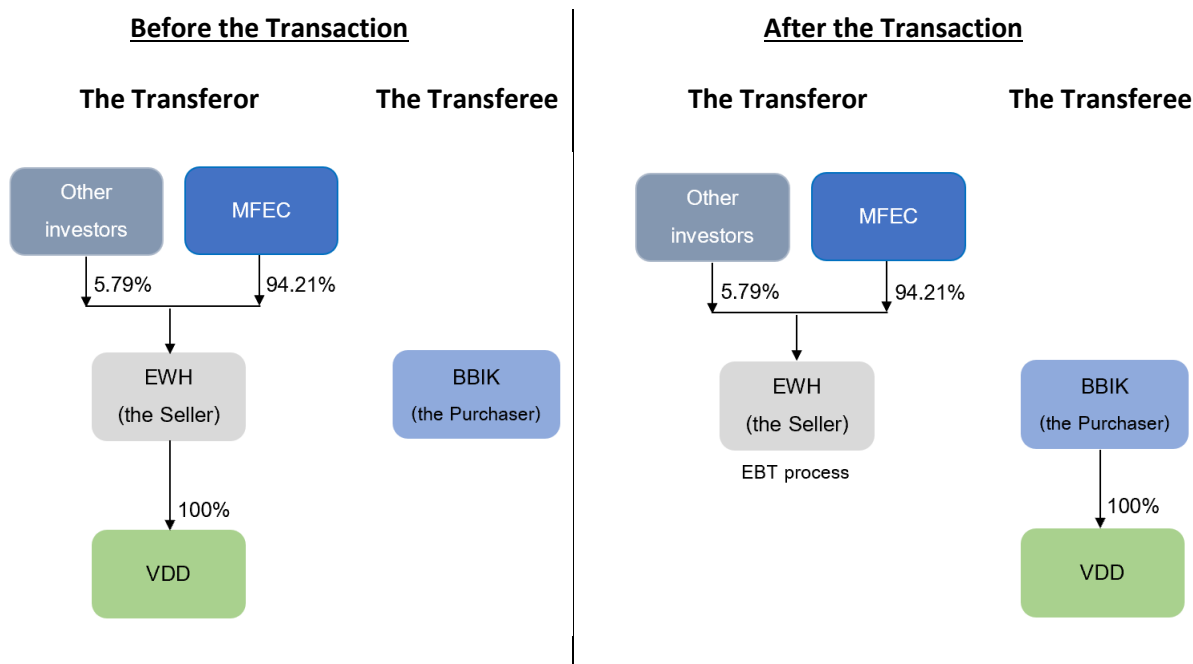
3. General Description of the Transaction

Eastwind Holdings Co., Ltd. ("EWH") a subsidiary of the Company will transfers all of EWH's business under the process of Entire Business Transfer (EBT), to Bluebik Group Public Company Limited (BBIK) in which all business transfers that EWH has exist at the date of the transfer of business (assets and liabilities), will be representing 500,000 ordinary shares of Vulcan Digital Delivery Co., Ltd. ("VDD") with a par value of Baht 100 per share representing 100% of the issued and paid-up shares of VDD.

EWH will receive consideration from the Entire Business Transfer to BBIK by cash payment of Baht 691,000,000.

This EBT transaction of EWH, is resulting a direct subsidiary under EWH which is VDD will be no longer the Company's subsidiaries. All business transfer transactions will be processed in accordance with the conditions pursuant to with the Revenue Code in respect of all business transfers. EWH will register the dissolution of the business by 2022 within the same accounting period as the total transfer of EWH. After the registration of the dissolution of the company, all remaining EWH assets, including the proceeds received as compensation for the transfer of the business, will be handed over to EWH shareholders (which the beneficiary holder is the Company) after completion of the EBT.

Shareholding Structure before and after the Transaction



Transaction size

The transaction size calculation of disposed assets on the relevant criteria under the Notifications on Acquisition or Disposition of Assets, based on the Consolidated Financial Statements of the Company for the nine-month period ended 30 September 2022, which were reviewed by the company's auditors. The details are as follows:

Calculation Basis	Calculation formula	Transaction size (%)
1. Value of Net Tangible Assets (NTA)	$\frac{(\text{NTA of investment in the Company} \times \text{Proportion of assets disposal}) \times 100}{\text{NTA of the Company}}$	Not applicable since VDD didn't established of the entity
2. Net operating profits	$\frac{\text{Net operating profits of the investment} \times \text{proportion of selling ratio}) \times 100}{\text{Net operating profit of the Company}}$	
3. Total value of consideration paid or value receive	$\frac{\text{Value of consideration received} \times 100}{\text{Total assets of the Company}}$	$\frac{691.0}{5,602.4} = 12.33\%$
4. Equity shares issued for the payment of assets	$\frac{\text{Equity shares issued for the assets} \times 100}{\text{Paid up share of the Company}}$	Not applicable since there is no equity shares issued for the payment of assets

According to the above transaction size calculations, the maximum transaction size is 12.33% based on the total value of the consideration, when combined with the disposition of assets over a period of 6 months, with a total transaction size of 0.11% (based on NTA method) prior the date of approval of the Board of Directors, the maximum total transaction size will be 12.44%.

4. Details the disposal of assets

EWH transfers all of EWH's business under the process of entire business transfer (EBT), with all available business of EWH as of the transfer date to BBIK. The detail of all assets and liabilities are as follows:

(1) Asset List

- The ordinary shares of Vulcan Digital Delivery (VDD) of 500,000 ordinary shares, with a par value of Baht 100 per share, representing 100% of VDD's issued and paid shares
- Other assets available as of the date of the entire business transfer

(2) Liabilities List

- All liabilities available as of the date of business transfer.

Details of VDD is as follows:

Company name:	Vulcan Digital Delivery Co., Ltd.
Incorporation date:	In the processing of incorporation, expected to be complete the establishment within December 2022
Nature of business:	Software and platform development and implementation services
Office address:	1788 Singha Complex 30th Floor Unit No. 3001-3003, 3009-3014 New Petchaburi Road Bangkok Huaykwang Bangkok 10310
Register capital at incorporation date:	Baht 50,000,000 (comprised ordinary shares of 500,000 shares at the par value of Baht 100)
Director name:	1) Mr. Panya Pornkajornkitkul* 2) Mr. Arm Sivadith 3) Mr. Siriwat Vongjarukorn

*Mr. Panya Pornkajornkitkul will be appointed as VDD director both pre and post transaction

List of shareholders of VDD before and after the Transaction

Before transaction			After transaction		
Shareholders' name	No. of shares	% holding	Shareholders' name	No. of shares	% holding
1. Eastwind Holdings Co., Ltd.	499,998	99.999	1. Bluebik Group PCL. (BBIK)	499,998	99.999
2. Mr. Siriwat Vongjarukorn	1	-	2. Assigner person of BBIK	1	-
3. Mr. Arm Sivadith	1	-	3. Assigner person of BBIK	1	-
Total	500,000	100.00	Total	500,000	100.00



Vulcan Digital Delivery Co., Ltd. was established by MFEC to gather a team of over 300 MFEC's software developers and digital platforms focused in Software Development Life Cycle - SDLC and implementation of the system and platform (Deployment Management). In addition, Vulcan also benefit other business expertise such as:

- 1) Mobile application, web application, desktop and Blockchain
- 2) API Management
- 3) Design website or application and UX/ UI Design
- 4) Software Quality Assurance
- 5) Maintenance service under 1) and 4)

5. Basis of Determination of the Value of Consideration

The value of all business transfers from EWH is calculated by determining the fair value of the business to be transferred. The aforementioned value is negotiated between EWH and the transferee, based on the criteria for determining the basis of the price of fair valuation based on the Discounted Cash Flow method (DCF) provided by the Company's internal assessment.

6. Benefits that the listed company will receive

The Company will receive cash from this transaction in the amount of Baht 691,000,000, in which the Company will be able to use the cash flow received from the transaction for business operations efficiently and in accordance with the Company's utilization plan in a timely manner. This will help strengthen the Company's financial position.

7. Plan for utilizing the proceeds received from the disposal of the assets

The Company will use the proceeds received from the Entire Business Transfer Transaction to continue operating the Company's business or investment in future as appropriate.

8. Transaction Conditions

The counter party is BBIK who is the transferee of the entire business. The transaction must be approved by the Extraordinary General Meeting of Shareholders of BBIK pursuant to the Acquisition or Disposition Notifications. The Company is expected the transaction will be completed within March 2023.

9. Stake holding director who is also the connected person

Nil.

**Information regarding to the connected transaction
defined as receipt of financial assistance**

1. Transaction date

The Company shall borrow Yen 2 billion (loan facility) from the lender with loan period of 1 year from the date of first loan drawdown or 31 December 2023, whichever date is earlier.

2. Related Parties and Relations between parties

Lender: TIS Inc.

Borrower: MFEC Public Company Limited

Relation between both parties: The Lender is a major shareholder of the borrowing Company, whereby TIS Inc is held 48.99% of the Company authorized and issued ordinary share.

3. General characteristics of the transaction

This transaction is representing a connected transaction according to the Notification of Capital Market Supervisory Board Tor. Chor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions, 2003 and is categorized as receipt of financial assistance. The value used to calculate the size of transaction is the value of the interest or benefits to be repaid to the connected person throughout the period of financial assistance with transaction size over 1 million but not exceeding 20 million Baht or more than 0.03% but no more than 3% of the Company's net tangible assets, whichever is higher. This must be approved by the Company's board and information must be disclosed to the Stock Exchange of Thailand.

The Company's Net Tangible Assets as of 30 September 2022	Baht 1,696.9 million
Transaction size of this Financial assistance from connected person	Baht 7.8 million*
Transaction size as % to NTA	0.46% of NTA

*Transaction size is calculated based on maximum interest amount shall be incurred from this financial assistance transaction (Yen 2 billion at 1.50% per year at current exchange rate THB 0.26/ Yen 1)

4. Details of the transaction

Nature of financial assistance :	Financial borrowing from related person
Value of loan facility :	not exceeding than Yen 2 billion (equivalent to Baht 520 million at current exchange rate)
Interest rate :	Approximate to 1.50% per year at the current interest rate**
Borrowing period :	The period is one year from the date of first loan drawdown or 31 December 2023, whichever date is earlier, by giving the borrower the right to extend the principle and interest repayment beyond the specific period.
Basis for calculation of transaction size:	Value of interest that the Company shall be repaid to the lender throughout the assistance period 1 year, with interest amount approximate to the amount of Baht 7,800,000
Proof of loan :	The Company shall sign loan agreement with the lender as a proof of loan facility.
Collateral :	None
Other conditions :	The Loan can be made in any currencies Japanese Yen (JPY), United States Dollars (USD) and Thai Baht (THB) upon request by the Borrower in the aggregate principal amount not exceeding to JPY 2 billion (or equivalent to Baht 520 million). The repayment of the Loan and interest shall be made in same currency as currency at the time of each loan have been requested.

**Interest rate will be based on policy interest rate, announced by The Monetary Policy Committee (“MPC”) plus 0.25%, at the date of each loan drawdown. Current Policy interest rate announced as of 30 November 2022, which is 1.25% per annum.

5. Benefits from entering into the transaction

The Company will use the said loan to support as the Company’s working capital

6. Stake holding director who is also the connected person

Mr. Kiyotaka Nakamura, Vice Chairman of the Board of Directors and Mr. Masakazu Kawamura, a director who is a representative director from TIS Inc., are connected persons. Both directors abstained from voting in this agenda.

7. Opinions of the Board of Directors

The Board of Directors resolved that entering into such transaction is in line with general trading conditions, without complicated procedures, with no collateral is required, allowing the Company utilizing this source of fund as working capital, as well as future investment transaction. This makes the Company more flexible and to enhance the Company’s operate business with low interest rate source of fund, which will directly benefit the Company and therefore deemed expedient to approve the transaction.

8. Opinions of the Audit Committee

There is no opinion that differs from the Board of Directors’ Opinion.