

(Translation)

No. LEO 001 / 2022

January 24, 2022

**Subject:** Notification of the resolutions of the Board of Directors Meeting No. 1/2022 regarding the establishment of a joint venture company and the acceptance of the entire business transfer

**To:** President,  
The Stock Exchange of Thailand

**Enclosure**

1. Information Memorandum on Asset Acquisition and Entire Business Transfer of World Air Logistics Company Limited

With the meeting of the Board of Directors of Leo Global Logistics Public Company Limited (the "Company") No. 1/2022, held on January 24, 2022, the meeting resolved to approve the acquisition of assets and the acceptance of the entire business transfer of World Air Logistics Company Limited ("WA") under the Entire Business Transfer (EBT) process. The Company will accept the entire business transfer from WA, which means all assets, liabilities, rights, duties, and responsibilities of WA currently and in the future at the date of business transfer ("EBT"). By making this transaction, the Company will establish a New Joint Venture Company that the Company will hold shares of not less than 75.00 percent with the group of existing shareholders of WA. The payment for the entire business transfer will be in cash and ordinary shares of the joint venture company to be newly established with the total value of the business transfer is 275.00 million Baht. However, the Company's management is in the process of negotiating the details of entering the transaction and the acquisition of shares in subsidiaries with the group of existing shareholders of WA. The New Joint Venture Company will operate under the group of companies after accepting the entire business transfer of WA and after the Board of Directors has approved the investment by accepting the entire business transfer of WA. The Company will have to spend time negotiating the details with WA, who is the transferor and contacting various agencies involved in order to complete the transaction. The Company will continue to disclose the transaction completion date to the SET.

In this regard, the aforementioned entire business transfer has the characteristics of an asset acquisition transaction according to the Notification of the Capital Market Board No. Tor.Jor. 20/2008 Re: Criteria for making significant transactions that are considered to be acquiring or disposing of assets and the announcement of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 ("Notice on Acquisition or Disposition"). When considering the size of the said transaction by calculating the transaction size compared to total assets by referring to the consolidated financial statements of the Company ending September 30, 2021 (total assets of the Company equal to 1,339.62 million Baht), it is found that the maximum transaction size was 20.53 percent using the highest value calculated based on the total value of consideration criteria, which the transaction size is higher than 15.00% but lower than 50.00%. Therefore, the Company has a duty to (1) disclose information to the SET and (2) send a circular letter to shareholders regarding the acquisition and disposition of assets of the Company within 21 days from the date of disclosure of the said transaction.

However, that entering into the transaction is not an intercompany transaction with the connected person of the Company. Therefore, it does not qualify as a connected transaction according to the Notification of the Capital Market Supervisory Board Tor.Jor 21/2551. 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 Connected Transactions, 2003 in any way.

Please be informed accordingly.



Yours sincerely,



(Mr. Kettivit Sittisoontornwong)

Chief Executive Officer

Information Memorandum on Acquisition of Assets  
of Leo Global Logistics Public Company Limited

As a result of Leo Global Logistics Public Company Limited ("the Company" or "LEO") has a strategic plan to expand its logistics business in order to increase sales and find business partners. Therefore, the Company has studied the business of transportation business in response to the Company's revenue growth and alliance expansion goals. The Company foresees an opportunity to invest in companies that have opportunities for future growth and will be able to create synergy which is World Air Logistics Company Limited ("WA"), which operates as a comprehensive international logistics service provider (International Freight Forwarding) with more than 18 years of experience. After entering the transaction, the Company will be able to expand more customer base and business partners and will have the ability to generate income and better performance in the future.

Therefore, the Company can achieve the objectives of business expansion the Board of Directors Meeting No. 1/2022 was convened on January 24, 2022. Therefore, it was resolved to approve the acquisition of assets and accepting the entire business transfer (Entire Business Transfer: EBT) of World Air Logistics Company Limited ("WA") including the signing of contracts related to such transactions with a total trading value of 275.00 million Baht. In this regard, the entire business transfer has the characteristics of an asset acquisition transaction according to the Notification of the Capital Market Board No. Tor.Jor. 20/2551 and the announcement of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 ("Notice on Acquisition or Disposition"). When considering the size of the transaction by calculating the transaction size compared to total assets by referring to the consolidated financial statements of the Company ending September 30, 2021 (total assets of the Company equal to 1,339.62 million Baht), it was found that the highest transaction size was 20.53% using the highest value calculated based on the total value of consideration criteria. The transaction size is higher than 15.00% but lower than 50.00%. Therefore, the Company is obliged to (1) disclose information to the SET and (2) send circulars to shareholders regarding the acquisition and disposition of assets of the Company within 21 days from the date of disclosure of information about the said transaction.

Overview of the transaction and accepting the entire business transfer from WA

Under the Entire Business Transfer Transaction from WA, the Company has the procedure for entering into the transaction as follows:

- (1) The Company will establish a New Joint Venture Company (“New Joint Venture Company”), whereby the Company will hold shares in the proportion of not less than 75.00 percent with the existing shareholders of WA. The New Joint Venture Company will operate under the Group of Companies.
- (2) The new joint venture mentioned above will undertake the Entire Business Transfer (EBT) of WA, including the signing of contracts relating to the transfer of WA's business including all assets, liabilities, licenses, rights and duties and WA must complete the liquidation by 2022 in order to comply with the rules of the law related to the whole business transfer. In this regard, the Board of Directors has assigned the Executive Committee or the Chief Executive Officer or a person entrusted by the Chief Executive Officer to carry out transactions related to the entire business transfer of WA, considering the best interests of the Company and in accordance with the relevant laws.
- (3) The New Joint Venture Company will pay compensation for accepting the entire business transfer from WA by cash and/or ordinary shares of a New Joint Venture Company. The total value does not exceed 275.00 million Baht.
- (4) After entering the transaction to accept the entire business transfer from WA, the New Joint Venture Company will continue its business from the current operation of WA and accept the transfer of business partners, all assets, liabilities, licenses, rights and duties to continue doing logistics business in the future. In addition, on the date of the transfer of assets. The new joint venture will accept employees of WA as employees of the new joint venture under the Group's operations.

1. Day, month, year of entering the transaction

The Company will establish a New Joint Venture Company and accept the entire business transfer (EBT) from WA within 4 months from the date that the Board of Directors' meeting resolves to enter into this transaction.

2. Related parties and company relationship

Transferee (buyer): A New Joint Venture Company in which the Company will hold shares in the proportion of not less than 75.00%, together with the group of existing shareholders of WA in the remaining proportion.

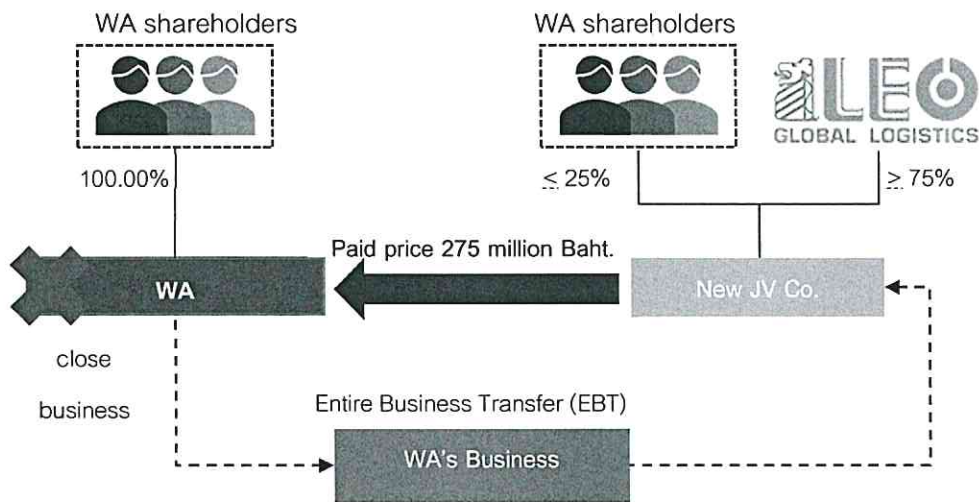
Transferor (Seller): World Air Logistics Company Limited

Relationship nature: -None-

3. General characteristics of the transaction and the size of the transaction

3.1 General characteristics of the transaction

The New Joint Venture Company will invest and accept the entire business transfer of WA with a total value of 275.00 million Baht. This is in accordance with the agreements and objectives of the parties. The New Joint Venture Company will pay compensation for the entire business transfer to WA in cash and/or ordinary shares of the newly established joint venture company, with a total consideration value of not more than 275.00 million Baht. After the entire business transfer transaction, WA will proceed to liquidate within 2022 in order to comply with the rules of the law related to the entire business transfer.



### 3.2 Item type and size

The total value of the transaction is 275.00 million Baht and is considered an asset acquisition transaction. when calculating the transaction size according to various criteria specified in the announcement using the maximum value calculated from one of the criteria will have the highest transaction size according to the total value of consideration criterion equal to 20.53 percent. Considering from the consolidated financial statements of the Company ending September 30, 2021, the transaction size is more than 15.00% but lower than 50.00% and the Company has no asset acquisition transaction incurred during the period of 6 months prior to the acquisition. make a list this time. The details of the calculation method are as follows.

#### Calculation of the size of the asset acquisition transaction

List from Consolidated financial statements as of 30 September 2021	Value (Unit : Million Baht)
Equity	711.38
Net Tangible Assets : NTA <sup>1</sup>	688.82
12-month net profit (loss) <sup>2</sup>	136.39
Total assets	1,339.62

Notes:

1/ *Net tangible assets (NTA) means total assets – intangible assets – total liabilities – non-controlling interests (if any) (intangible assets such as goodwill, deferred expenses, etc.) by excluding intangible assets that generate the main income, such as concession, concession certificates, etc.)*

2/ Calculated from the consolidated financial statements ended September 30, 2020, December 31, 2020, March 31, 2021 and September 30, 2021.

Criteria used in the calculation

Criteria used in the calculation	Calculation formula	Transaction size (percent)
1. Net Tangible Asset Value Criteria	$((\text{NTA of acquisition company} \times \text{proportion to receive}) / (\text{NTA of listed company})) \times 100$	9.28
2. Net Profit Criteria	$((\text{Net operating profit of the acquisition company} \times \text{Proportion received}) / (\text{Net operating profit of the listed company})) \times 100$	16.08
3. Total Value of Consideration Criteria	Total Value of Consideration / Total Assets of the Company	20.53
4. Equity Criteria	$(\text{number of shares issued by the company to pay for assets} \times 100) / \text{number of paid-up shares of the company}$	Unable to calculate

Therefore, the Company is obliged to (1) disclose information to the SET and (2) send circulars to shareholders regarding the acquisition and disposition of assets of the Company within 21 days from the date of disclosure of information about the said transaction.

4. Asset details

The Company by a New Joint Venture Company will enter into the acquisition of WA business with a total transaction value of 275.00 million Baht, details are as follows:

(1) WA general information

Company name	World Air Logistics Company Limited
Business type	operates as a comprehensive international logistics service provider (International Freight Forwarding) by air freight (Air Freight) and by sea (Ocean Freight) including customs clearance services. It also provides warehousing and transportation-related services (Cross-Border & Domestic Distribution), as well as being a representative in freight operations and other operations.
Head office location	No. 43 Thai CC Tower, 6th Floor, Room No. 60-61, South Sathorn Road, Yannawa, Sathorn, Bangkok
Company registration date	March 19, 2003
Registered capital and paid-up capital	Registered capital 10,000,000 Baht divided into 100,000 ordinary shares, par value 100 Baht per share, paid-up capital 10,000,000 Baht.
List of directors	Mr. Voravud Phakdisattayaphong

(2) List of shareholders of WA before the transaction as of May 31, 2021

	List of shareholders	Before the transaction	
		Number of shares (shares)	Proportion (percent)
1.	Mr. Voravud Phakdisattayaphong	89,999	89.99
2.	Mr. Nonthawit Tiewkul	10,000	10.00
3.	Ms. Ratta Chenram	1	0.00
Total		100,000	100.00

(3) Nature of business

WA operates as a fully integrated international logistics service provider. (International Freight Forwarding) is divided into two types of services:

- 1) Air Freight
- 2) Ocean Freight
- 3) including customs clearance services Warehousing and transportation related services (Cross-Border & Domestic Distribution).

WA also represents freight forwarding and other operations. WA's main revenue comes from air freight services, accounting for approximately 80 percent of its revenue. In addition, the Company has experience and expertise in air transportation services, including having a network of alliances with various airline representatives and customer base in the group of entrepreneurs who are Freight Forwarders and is a group of customers that are different from the Company's customer base. Most of which are direct exporters and importers. This can give the Group a potential to expand the growth of international air transportation business. This will result in higher volumes of freight and more bargaining power with airlines.

(4) Financial summary

Statement of financial position

Statement of Financial Position (Unit : Million Baht)	2018	2019	2020
<b>Assets</b>			
Cash and deposits at financial institutions	79.01	91.95	47.38
Short-Term investment	-	-	10.02
Trade and other receivables	90.72	61.72	82.58
Trade accounts receivable	92.64	61.68	86.01
Other receivables	3.78	5.72	2.82
Less allowance for doubtful accounts	(5.69)	(5.67)	(6.25)
Other current assets	0.41	0.25	0.22



Statement of Financial Position (Unit : Million Baht)	2018	2019	2020
Total current assets	170.14	153.92	140.20
Deposits without collateral	18.29	19.60	20.72
Equipments	5.15	7.96	6.44
Intangible assets	0.40	0.50	0.36
Other non-current assets	0.65	1.22	1.22
Total non-current assets	24.49	29.29	28.74
Total assets	194.63	183.21	168.94
<b>Liabilities</b>			
Short-term loans from financial institutions	-	40.00	-
Trade and other payables	64.67	54.66	74.14
Accounts Payable	56.17	36.36	61.03
Other Payable	8.50	18.31	13.11
Liabilities due within one year			
Long-term loans from financial institutions	-	-	3.34
Liabilities under financial leases	0.87	0.92	0.73
Accrued income tax	6.34	0.72	2.38
Other current liabilities	2.63	1.83	2.78
Total current liabilities	74.50	98.12	83.37
Long-term loan	-	-	13.27
Liabilities under financial leases	1.81	0.90	0.16
Employee benefit obligations	5.02	7.26	7.93
Other non-current liabilities	0.41	0.37	0.71
Total non-current liabilities	7.25	8.53	22.08
Total liabilities	81.75	106.65	105.45
<b>Shareholder Equities</b>			
Registered capital	10.00	10.00	10.00
Registered and paid-up capital - common shares	10.00	10.00	10.00
Retain Earning (Retained Loss) Appropriated - Legal Reserve	1.00	1.00	1.00
Retain Earning (retained loss) unappropriated	101.89	65.55	52.49
Total Shareholders' Equity	112.89	76.55	63.49
Total liabilities and shareholders' equities	194.63	183.21	168.94

Note: The auditor in 2018-2020 is S.T. Audit and Consultant Company Limited by Ms. Samaporn Thanyalakpong Auditor No. 10746

Income statement

Income statement (Unit : Million Baht)	Year		
	2018	2019	2020
Service income	760.29	355.63	556.04
Cost of service	(628.29)	(282.99)	(478.60)
Gross profit	132.01	72.64	77.43
other income	0.56	0.49	0.71
Earning before expenses	132.57	73.13	78.14
Selling and administrative expenses	(61.49)	(55.39)	(50.15)
Earning before finance cost and income tax	71.07	17.74	27.99
Financial cost	(0.63)	(0.20)	(0.26)
Earning (loss) before tax	70.44	17.54	27.73
Corporate income tax	(14.66)	(3.87)	(5.79)
Net Profit (Loss)	55.78	13.67	21.93

Note: The auditor in 2018-2020 is S.T. Audit and Consultant Company Limited by Ms. Samaporn Thanyalakpong Auditor No. 10746

5. Total value of consideration, payment method and other important conditions as agreed

The New Joint Venture Company will accept the entire business transfer of WA by payment of compensation in cash and/or ordinary shares of the new joint venture with a total value of not more than 275.00 million Baht. However, the Company's management is in the process of negotiating the details of entering into the transaction and the acquisition of shares in subsidiaries with the group of existing shareholders of WA. The new joint venture will operate under the Group after accepting the entire business of WA and will proceed with the business transfer after the registration of the New Joint Venture Company and negotiating the details with WA, the transferor. including full compliance with the terms of the contract.

6. Total value of assets acquired and criteria used to determine the value of consideration

The new joint venture will accept the entire business transfer from WA by payment of compensation in cash and/or ordinary shares of the new joint venture. The total value of the consideration is not more than 275.00 million Baht. The criteria for consideration is a result from negotiation and valuation of fair value of WA's business which the Company's Executive Committee has hired Advisory Alliance and Partners

Company Limited, which is a financial advisor that has been approved by the Securities and Exchange Commission (SEC) to evaluate the fair price in various methods. The financial advisor indicates that Discounted Cash Flows is appropriate method that can reflect the fair price, and it can reflect WA's operational capabilities.

#### 7. Sources of funds and payment methods

Cash from the Company's working capital and/or future borrowings, together with ordinary shares of newly established joint venture company. The payment will be made on the same day as the entire business transfer from WA, with a total value of not more than 275.00 million Baht.

#### 8. Benefits that are expected to be received from the transaction

This is because the nature of WA's business is similar to the Company's business. WA's main revenue comes from air freight services, entering this transaction will strengthen its business and it is a strategy to create better performance over the long term. This is in response to the Company's revenue growth and partner expansion goals. The details are as follows.

- The Company will be able to expand its partner airline base as WA's base of airlines is reputable and reliable. By taking advantage of WA's existing network of airlines, the Company has a growing base of airline partners, promoting the ability to generate income generated by expanding the airline base and cost reduction resulting from economy of scale
- The Company will be able to expand more business alliances because WA has been in business for more than 18 years, giving it experience and expertise in air transportation business. In addition, there is a network of business alliances with international freight forwarders who are the main customers of WA. Therefore, entering this transaction will help build the Company into a logistics operator with a more diverse customer base, both customers who are direct exporters and importers (Retail Market) and international freight forwarders (Wholesale Market). This will help increase the efficiency of expanding the scope of various operations to meet the diverse and comprehensive range of services to customers. This will also help develop and enhance the development of the company's business more and more.

- After entering this transaction, the Company will continue to have strength in air transportation business. The Company will earn more revenue from both Ocean Freight and Air Freight services, which allows the Company's business to have a more diversified income base. It will also help increase the total revenue of the Company in the future and promote its operational potential to become a company that is capable of being on par with other international operators.

**9. Conditions for the transaction**

The Company and WA have fully complied with the conditions in the business transfer agreement and are able to establish the new joint venture that will complete the business transfer.

**10. Opinions of the Board of Directors regarding the agreement of entering the transaction**

The Board of Directors Meeting No. 1/2022, convened on January 24, 2022, has the opinion to agree to enter into the entire business transfer transaction of WA this time will bring the greatest benefit to the Company including the creation of synergy. This is to strengthen the Company's business operations from the nature of the business of WA, which is a comprehensive international logistics service provider (International Freight Forwarding) has a business similar to that of the Company with experience and expertise in Air Freight business. Entering this transaction will give the Company an opportunity to increase its revenue from the increased business operations and to gain market share from air freight services. This will enhance the Company's revenue and operating performance in the future as well as increase the ability to compete with international companies.

The entire business transfer transaction of WA is beneficial to the Company and its shareholders as detailed in Clause 8. In addition, the Board of Directors is of the opinion that the determination of the price of the business transfer valued at 275.00 million Baht. It is appropriate compared to the valuation based on the Discounted Cash Flow method assessed by Advisory Alliance and Partners Company Limited, which is a certified financial advisor. Approval from the Securities and Exchange Commission (SEC).

**11. Opinions of the Audit Committee and/or Directors of the Company which are different from the opinions of the Board of Directors under Clause 10 above.**

- None -

The Board of Directors has acknowledged and considered the information of this information to be correct and is reliable in essence, which does not cause misunderstandings in the information disclosed including various information has been approved by the Board of Directors Meeting No. 1/2022 on January 24, 2022.

Yours sincerely,



(Mr. Kettivit Sittisoontornwong)

Chief Executive Officer