

Enclosure No.5

Information memorandum regarding the allocation
of newly issued ordinary shares
(Private Placement)

Information memorandum regarding the allocation of newly issued ordinary shares to the specific investors (Private Placement) of Well Graded Engineering Public Company Limited

February 16,2023

The Board of Directors' Meeting No. 2/2023 on February 16,2023 , resolved to propose Annual General Meeting of Shareholders of 2023 to consider approving the increase of the registered capital of the Company by Baht 30,000,000 from the existing registered capital of Baht 300,000,000 to Baht 330,000,000 by issuing 60,000,000 newly issued ordinary shares with a par value of Baht 0.50 per share to be offered to the specific investors (Private Placement) by assigning the Board of Directors to determine the offering price in accordance with the market price.

The Company has prepared the information essential to the shareholders' decision in accordance with the Notification of the Capital Market Supervisory Board Re:List of Information in the Notice of shareholder's Meeting of Listed Company for Seeking Approval of the Issuance and Offering of Securities, with the details as follows:

1. Detail of the Offering of the Newly Issued Shares

The Company will issue and allocate the newly issued ordinary shares by issuing the amount of no more than 60,000,000 shares with a par value of Baht 0.50 per share to be specific investors (Private Placement) under the General Mandate by assigning the Board of Directors to determine the offering price in accordance with the market price.

The Company is in the process of (1) selecting investors with the characteristics, type and amount deemed to be the issuance and offering of newly issued ordinary shares to the specific investors (Private Placement) and (2) considering the selection of whom to be allocated the new ordinary shares to, which must be a potential investor who can actually invest in the Company, who will not involve in the management of the Company nor take a position as a director or executive of the Company and not be a connected person according to the Notification of the Capital Market Supervisory Board Re: Rules for Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Operating Principles

of Listed Companies in Connected Transactions. The Company will make an announcement to the SET once the relevant information regarding the investors has been obtained.

The offering price to the specific investors (Private Placement) will be determined by the Board of Directors, whereby the offering price will be at the market price and the most optimum price in accordance with the market situation during the offering period to the investors.

In the case of Private Placement offering at a price that is lower than 90 percent of the market price, before the SET's order to accept such newly issued ordinary shares as listed securities, the Company is obliged to prohibit investors from selling all such newly issued ordinary shares within one year from the date on the Company's newly issued ordinary shares start trading on SET. After six months, investors may sell up to 25 percent of the total number of shares that are subject to the restrictions in accordance with the requirements under the Notification of the Stock Exchange of Thailand Re: Requirements, Conditions and Methods of Considering an Application to List Ordinary or Preferred Shares.

In this regard, the Board of Directors deemed it appropriate to propose to the Annual General Meeting of Shareholder to consider authorizing the Board of Directors to have the power to determine and/or amend other details that are necessary and related to the issuance and offering of the newly issued ordinary shares to be allocated to the specific investors (Private Placement) as appropriate and to the extent that they are not inconsistent with related notification, regulation or law, including determining and amending the subscription date and offering date, payment method (whether in cash or in kind), and amount of newly issued ordinary shares allocated as well as the conditions and related details, word or text correction in the minutes of the shareholders' meeting, memorandum of association and/or various applications and/or take any action in order to comply with the order of the registrar in filing the registration of increase of registered capital of the Company to the Department of Business Development, Ministry of Commerce, signing the application and supporting documents related to the allocation of newly issued ordinary share to the specific investors, including contacting and submitting an application and supporting documents to government agencies or agencies involved in the allocation of newly issued ordinary shares as well as listing the newly issued ordinary shares as listed securities on the SET, and taking any action as necessary and relevant for the successful allocation of newly issued ordinary shares to the specific investors, including appointing and assigning other appropriate persons to perform the above actions. Such action must be in accordance with the relevant laws and regulations regarding the issuance and offering of the newly issued ordinary shares.

2. Objective of the issuance of newly issued ordinary shares and planned use of proceeds

The Company intends to issue new ordinary shares through a general mandate (Private Placement) to be a part of increasing flexibility and expediency in the fundraising, in the event that it is necessary for the company to use additional capital and as a source of funds in timely manner for the future investment or business expansion.

3. The potential impacts on the existing shareholders

3.1 The effect on the dilution of shares (Control Dilution)

The effect on the dilution of shares (Control Dilution) after the issuance and offering of newly issued ordinary shares will depend on the number of newly issued shares to be offered to the specific investors in the private placement. In the event that the Company offers all of the newly issued ordinary shares to the specific investors, it will affect the reduction of shareholding (Control Dilution) as follows:

$$\begin{aligned}
 \text{Control Dilution} &= \frac{\text{Number of new ordinary shares offered to the specific investors}}{\text{Number of Paid Up Shares} + \text{Number of new ordinary shares offered to the specific investors}} \\
 &= \frac{60,000,000}{600,000,000 + 60,000,000} \\
 &= 9.09\%
 \end{aligned}$$

3.2 Price Dilution

The issuance of shares to the specific investors (Private Placement) has not yet determined the offering price. Therefore, the Price Dilution could not yet be calculated

$$\begin{aligned}
 \text{Price Dilution} &= \frac{\text{Market price before the offering} - \text{Market price after the offering}}{\text{Market price before the offering}}
 \end{aligned}$$

3.3 Earnings per share dilution: EPS

$$\text{EPS Dilution} = \frac{\text{EPS before the offering} - \text{EPS after the offering}}{\text{before the offering}}$$

Remark: Share of earnings per share before the offering and after the offering Calculated using the portion of net profit belonging to the Company for the latest 12 months to 31 December 2022 based on the audited and reviewed consolidated financial statements of the Certified Public Accountant. However, due to the Company's operating results ending December 31, 2022, there is a loss, therefore, the reduction in profit sharing cannot be calculated.

4. Opinion of the Board of Director on the matters

4.1 Reasons and Necessities of issuance and allocation of the newly issued ordinary shares

The Board of Directors is of the opinion that the Company is in need of the increase of the registered capital and issuance of newly issued ordinary shares to the specific investors (Private Placement) as the Company intended to use the funds received from the offering for the purpose mentioned in item 2 above.

4.2 Feasibility of the plan for use of proceeds from the offering of newly issued ordinary shares

The Company plan to issue and offer the newly issued ordinary shares to the specific investors (Private Placement) as the Company intended to use the funds received from the offering for the purpose mentioned in item 2 above.

4.3 Reasonableness of the capital increase, plan for use of proceeds and sufficiency of funding

The Board of Directors is of the opinion that the issuing and offering of the newly issued ordinary shares to the specific investors (Private Placement) is appropriate, reasonable and in the best interests of the Company and shareholders as the Company intended to use the funds received from the offering for the purpose mentioned in item 2 above.

4.4 Impact on the business operation, financial position and operating results due to the increase and planed implementation of the plan for use of proceeds

The Board of Directors is of the opinion that the issuing and offering of the newly issued ordinary shares to the specific investors (Private Placement) is the implementation of the Company's funding plan which will enable the Company to use the proceeds from the capital increase for the purpose mentioned in item 2 above. The implementation of the above will benefit the Company in generating continuous cash flow and profit in the future and does not have a negative impact on the Company's business operations as well as the financial position and operating results of the Company.

4.5 Appropriateness of share price to subscribe for newly issued ordinary shares of the Company

will be in accordance with the price specified by the Board of Directors or persons assigned by the Board of Directors, It will be offered for sale at the market price and at the best price according to the market conditions during the offering to investors. The price will not be lower than the weighted average price of the shares in the stock exchange for the past seven consecutive business days but not more than fifteen consecutive business days (market price). Board of Directors may specify the offering price with the discount, but the discount shall not exceed 10% of the said market price.

4.6 Reasons and necessities of allocation of the Company's newly issued ordinary shares to the investors in the Private Placement

The company can raise capital within a short time and reduce the investment burden of the existing shareholders in increasing the company's capital. When comparing to the capital increasing by a way of public offering, which takes a longer time in preparation and must be authorized by related parties which time cannot be controlled by the company. Therefore, the Board of Directors considers that the appropriate and in accordance with the objective is the Issuance and offering of newly issued ordinary shares to specific persons (Private Placement) to persons who have Capital Potential and is ready to pay for the increasing capital. This will allow the company to receive the needed capital in a short time.

5. Certification of the Board of Directors on the Capital Increase

In the event where any director of the Company fails to perform his/her functions as required by law, objectives and articles of association of the Company as well as resolutions of the shareholders' meeting, with integrity and due care to protect the Company's interests in connection with this capital increase, and such failure by action or inaction in the performance of his/her functions has caused damage to the Company, the Company may claim damages from such director. If the Company does not claim such damages, the shareholders, holding among them in aggregate not less than 5 percent of all issued and sold shares, may give notice to the Company to proceed with such claim, failing which, the shareholders may take legal actions to claim damages from such director on behalf of the Company pursuant to Section 85 of the Public Limited Companies Act B.E. 2535 (1992) (as amended)

In addition, should such failure by action or inaction in the performance of his/her functions as required by law, objectives and articles of association of the Company as well as resolutions of the shareholders' meeting, with integrity and due care to protect the Company's interests in this capital increase, have caused any director, executive or related persons to derive any undue benefits, the Company may take legal actions against such director be held liable to return such benefits to the Company, or the shareholders, holding among them in aggregate not less than 5 percent of all votes in the Company, may give notice to the Company to do so, failing which within 1 month from the date of receipt of such notice, the shareholders may take legal actions to recover those benefits from such directors on behalf of the Company pursuant to Section 89/18 of the Securities and Exchange Act B.E. 2535 (1992) (as amended).

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

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Mr. Kraingsak Buanoom'.

(Mr. Kraingsak Buanoom)

Chief Executive Officer