

Important Details of the Convertible Bonds

Topic	Details
Issuer of convertible bonds	TWZ Corporation Public Company Limited (“the Company”)
Objective	To add the working capital in the currently running business as well as the future business expected to bear more income and returns and improve the Company performance which is greatly benefit the Company and the Company shareholders. Some will be used to repay loans with financial institutions and other binding debts and as working capital for business operation and reserved fund for the future business.
Plan to use the proceeds from the offering of convertible bonds	<ol style="list-style-type: none"> 1. To add the working capital in the currently running business as well as the future business expected to bear more income and returns and improve the Company performance which is greatly benefit the Company and the Company shareholders, consisting of the amount for electric vehicle business at not more than 100.00 million baht and for the business of hemp-marijuana, Kratom and other herbs at not more than 50.00 million baht 2. To repay loans with financial institutions and other binding debts at not more than 100.00 million baht 3. To use as working capital to run the business and reserved fund for the future business at not more than 80.00 million baht <p><u>Remark</u></p> <p>The use of such proceeds may change the use proportion according to the ability to raise funds as well as the appropriateness of investment in each situation to invest in other new business projects in the future that the company deems to have good returns and benefits to the company and its shareholders. The company will continue to comply with the rules of the Stock Exchange of Thailand regarding the acquisition and disposal of assets.</p>
Type	Name-holders convertible bonds have the conversion rights into newly issued ordinary shares of the Company, not subordinated, without insurance, and have a representative of the bondholders and the issuer of convertible bonds has the right to redeem it before the maturity date.
Value of convertible bonds offered for sale	Not more than 330,000,000 Baht

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Bond value	1,000 Baht per 1 unit of convertible bonds
Number of convertible bonds	Not more than 330,000 units
Method of offering and allocation	<p>The Company will offer and allot the whole number to the existing shareholders of the Company who have the right to be allocated in proportion to their shareholding. The existing shareholder can subscribe to the convertible bond at the allotted amount, lesser, more or waive the right not to subscribe to the convertible bonds at offer for sale this time. The Company will allocate the convertible bonds to the shareholders who subscribe at the allotted amount first. If there are convertible bonds left from the allotted amount, the Company will allot the remaining convertible bonds to the shareholders who subscribe and pay for the convertible bonds in excess of their rights (until there are no convertible bonds left to allot).</p> <p>The Company has the right to exercise its discretion not to offer for sale or not to allocate the above convertible bonds, any existing shareholders. If such an offer for sale or allocation of convertible bonds may result in (a) in violation of any laws or regulations of Thailand or abroad or the Articles of Association of the Company or (b) it is the result that the Company has a duty to perform or have to do any actions in addition to those required to comply with regulations related to the issuing and offering of securities under the law of Thailand or (c) it does not comply with the methods, criteria and conditions specified in the allocation of the Company. However, the Company has the right to exercise its judgment in offering and allocating such convertible bonds to certain existing shareholders outside Thailand on the basis of exemptions made under international law.</p>
Proportion of allocated to existing shareholders	<p>45,132 existing shares: 1 unit of convertible bonds (in the event that there is a fraction from the calculation, it will be eliminated in all cases).</p> <p>However, any person of the Company's shareholders holding less than 45,132 shares will not have the right to subscribe to the convertible bonds under their rights (but can subscribe for more than their rights).</p>
Stocks allocated to accommodate the conversion of convertible bonds	1,650,000,000 shares (representing 9.97% of the Company's paid-up capital after exercising the conversion right under the convertible bonds based on the assumption that the whole amount of the conversion right is exercised, or represents 5.54% of shares sold as of the Board of Directors' Meeting No. 9/2021)

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	<p>held on 8 October 2021, together with the number of shares reserved for the issuance of new ordinary shares issued to the existing shareholders for 4,964,475,981 shares, the number of shares reserved for the warrant No. 6 (TWZ-W6) at 4,964,475,981 shares, the number of shares reserved for convertible bonds issued to existing shareholders at 1,650,000,000 shares and the number of shares reserved for the warrant No. 7 (TWZ-W7) at 3,300,000,000 shares, issued and allocated in the Extraordinary General Meeting of Shareholders No. 2/2021). In this regard, the number of shares reserved for convertible bonds and the number of shares reserved for the Company's issuance of new ordinary shares, convertible bonds or warrants in the future are not more than 50% of all the Company issued shares.</p> <p>*Method for calculating the proportion of ordinary shares reserved for the exercise of the Convertible Bonds:</p> $\frac{\begin{aligned} &\text{Number of shares reserved for convertible bonds issued to existing shareholders} + \\ &\text{Number of ordinary shares reserved for exercise of warrants TWZ-W6} + \\ &\text{Number of ordinary shares reserved for exercise of warrants TWZ-W7} \end{aligned}}{\begin{aligned} &\text{Total number of outstanding shares of the Company} + \\ &\text{Number of shares reserved for the issuance of new ordinary shares} \end{aligned}}$ $= \frac{1,650,000,000 + 4,964,475,981 + 3,300,000,000}{14,893,427,941 + 4,964,475,981}$ <p>= 49.93%</p>
Age of convertible bonds	2 years and 6 months from the date of issuance of convertible bonds
Interest rate	6.25% per year
Interest payment	4 times a year with interest payments made every quarters of every year from the date of issuance of the convertible bonds
Restrictions on the transfer of convertible bonds	-None-
Convertible price	0.20 Baht per share or other price from the conversion price adjustment according to the conditions that will be set out in the terms and conditions.
Convertible ratio	1 unit of convertible bond: 5,000 shares (or other rates resulting from adjustment of conversion price according to the conditions set forth in the terms and conditions).

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Convertible date	Can begin to convert for 2 years from the date of issuance of convertible bonds or on the maturity date of the convertible bonds.
Exercise period and exercise schedule	Can be convertible for 2 years from the date of issuance of the convertible bonds or on the maturity date of expiration of the convertible bonds.
Expiration date	2 years and 6 months from the date of issuance of convertible bonds
Redemption at expiration date for convertible bonds	<p>In the event that the convertible bondholders want to exercise the convertible bonds to the Company's newly issued ordinary shares. The holders of convertible bonds have the right to exercise convertible bonds to newly issued ordinary shares until the 15th working days before the maturity date ("Last Exercise Date") without the conversion. However, at the last exercise of the convertible bonds each convertible bond holder has two options, which are:</p> <p>a) <u>Request for redemption in cash in full.</u> Each bondholder will receive cash in the amount of 1,000 Baht per 1 unit of convertible bonds, which is equal to the value of the convertible bond with the final interest payment.</p> <p>b) <u>Request for redemption by converting the convertible bonds.</u>(The value of the convertible bonds equal to 1,000 Baht per unit) by redeeming the remaining convertible bonds in full amount to the Company's newly issued ordinary shares at a convertible price of 0.20 Baht per share(or other prices resulting from the conversion price adjustment according to the conditions that will be set out in the next right).However, if there is a fraction of shares from the conversion calculation, the convertible bond holders will receive cash back instead of a fraction of that shares. The fraction of the number of shares is multiplied by the conversion price.In this regard, the Company will calculate to leave no more than two decimal places left (if the third position is greater than or equal to five, the Company will round the second decimal place up and round the second decimal down. If the third position is less than five). In addition, the Company will pay the accrued interest to convertible bond holders up to (but not included) the conversion date.</p> <p>However, each bondholder will have to choose options a) or b) only one cannot split the convertible bonds they hold to choose options a) and b).</p>

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Redemption value of convertible bonds	Convertible bonds have a total redemption value equal to the par value of the convertible bonds, regardless of whether the convertible bonds are redeemed one time or several times.
The right of call/put option	The Company has the right to redeem the convertible bonds before the maturity date (Call Option).
Representative of the holder of convertible bonds	During appointment
Registration of convertible bonds	Thai Bond Market Association (ThaiBMA) (Optional)
Secondary market of convertible ordinary shares	The Stock Exchange of Thailand
Dilution effect	<p>1. Effects on the stock's market price (price dilution) will not occur because the determined conversion price will not be lower than the current market price at the time of issuance of the convertible bonds.</p> <p>2. Effects on the voting rights of the existing shareholders and profit share (control dilution) will not occur because the whole amount of the convertible bonds is offered to the existing shareholders of the Company with the right to be allocated. However, in the event that the conversion rights the convertible bonds not the original shareholder of the Company, this whole amount will affect the voting rights of the existing shareholders and profit share (control dilution) after the exercise of conversion rights. Based on the assumption that the rights are all exercised, details of the calculation are as follows:</p> $\begin{aligned} \text{Control Dilution} &= \frac{\text{Number of shares reserved for convertible bonds}}{\text{paid-up shares} + \text{Number of shares reserved for convertible bonds}} \\ &= \frac{1,650,000,000}{14,893,427,941 + 1,650,000,000} \\ &= 9.97\% \end{aligned}$ <p>In the event that the shareholder exercises the conversion rights together with the right of the Warrant No. 6, the Warrant No. 7, see details at Enclosure 2 and 3, consecutively.</p>

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	<p>3. Effects on EPS Dilution based on the assumption that all the conversion rights are exercised. The effects on EPS Dilution can be calculated as follows.</p> <p>Net profit = 7,080,846 Baht (The past 4 quarters from the 2nd quarter of 2021)</p> <p>EPS₀ = Net profit before capital increase</p> <p>EPS_n = Net profit after capital increase</p> <p>Q₀ = Ordinary share before capital increase</p> <p>Q_{CB} = Ordinary share reserved for convertible bonds</p> <p>EPS₀ = $\frac{\text{Net Profit for past 4 quarters for past 4 quarters from the 2nd quarter of 2021}}{Q_0}$</p> <p style="margin-left: 100px;">= $\frac{7,080,846}{14,893,427,941}$</p> <p style="margin-left: 100px;">= 0.000475 Baht per share</p> <p>EPS_n = $\frac{\text{Net Profit for past 4 quarters for past 4 quarters from the 2nd quarter of 2021}}{Q_0 + Q_{CB}}$</p> <p style="margin-left: 100px;">= $\frac{7,080,846}{14,893,427,941 + 1,650,000,000}$</p> <p style="margin-left: 100px;">= 0.000428 Baht per share</p> <p>EPS Dilution = $\frac{EPS_0 - EPS_n}{EPS_0}$</p> <p style="margin-left: 100px;">= $\frac{0.000475 - 0.000428}{0.000475}$</p> <p style="margin-left: 100px;">= 9.97%</p> <p>In the event that the shareholder exercises the conversion rights together with the right of the Warrant No. 6, the Warrant No. 7, see details at Enclosure 2 and 3, consecutively.</p>
The reason for issuing new shares to accommodate the change in the exercise of conversion rights	To protect the interests of the holders of the Warrant No. 6 not to be inferior than the previous one, the Company will adjust the exercise price and the exercise ratio in accordance with any events set out in the Capital Market Supervisory Board

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	<p>Notification No. Tor Chor. 17/2561 Re: Application for and Approval for Offer for Sale of Newly Issued Debt Instruments as of 17 January 2018 (and as amended), including;</p> <ol style="list-style-type: none"> 1. When there is a change in the par value of the Company's shares as a result of a share merger or split of shares 2. When the Company offers new shares at low price¹ 3. When the Company offers convertible bonds at low prices or offering warrants to purchase shares at low prices¹ 4. When the Company pays all or part of the dividends in newly issued shares to the shareholders 5. When the Company pays dividends in money which exceeds the rate stipulated in the terms and conditions 6. When there is any other event similar to No. 1.) to No. 5.) above that causes any benefit that the holders of convertible bonds will receive when they exercise their conversion rights less than before <p>In the event of a change in the exercise of conversion rights for any reason, if additional newly issued shares are required to accommodate the change in the exercise of such rights. The Company will be able to issue new shares to accommodate the change in exercising the conversion rights only when a resolution of the shareholders' meeting approves the issuance of shares in order to adequately support the changes in exercising the conversion rights to the Securities and Exchange Commission.</p>

Notes:1/ Low price based on the announcement of Sor Chor. 39/2551, the calculation of the offering price of securities and the determination of the market price for consideration of the offering of newly issued shares at low prices.