



L-WAVE ENT 30/2022

5 August 2022

**Subject:** The issuance and offering of newly issued ordinary shares to existing shareholders proportionate to their respective shareholding (Rights Offering), the issuance and offering of warrant to purchase ordinary shares of Wave Entertainment Public Company Limited No.3 (WAVE-W3) to the existing shareholders who subscribed newly issued ordinary shares, the determination of the date of the Extraordinary General Meeting of Shareholders No. 1/2022 and the record date to determine the shareholders eligible to attend the Extraordinary General Meeting of Shareholders No. 1/2022 (Record Date)

**To:** President

The Stock Exchange of Thailand

**Enclosure:**

1. Capital Increase Report Form (F53-4)
2. Information Memorandum regarding the issuance and offering of newly issued ordinary shares to existing shareholders proportionate to their respective shareholdings (Rights Offering) of Wave Entertainment Public Company Limited
3. Summary of Preliminary Information of the Warrants to purchase ordinary share of Wave Entertainment Public Company Limited No.3 (WAVE-W3)

Wave Entertainment Public Company Limited (the “**Company**”) wishes to inform the resolutions of the Board of Directors’ meeting No. 3/2022 held on 5 August 2022 as follows:

1. approved to propose to the Extraordinary General Meeting of Shareholders No. 1/2022 (the “**Extraordinary General Meeting of Shareholders**”) to consider and approve the reduction of the Company’s registered capital in the amount of Baht 235,578,510 from the existing registered capital in the amount of Baht 707,536,887.50 to Baht 471,958,377.50 by cancelling the unsold shares in the amount of 471,157,020 shares at a par value each of Baht 0.50 and the amendment of Clause 4. of the Company’s Memorandum of Association to be in line with the reduction of the Company’s registered capital.
2. approved to propose to the Extraordinary General Meeting of Shareholders to consider and approve the increase of the Company’s registered capital in the amount of not exceeding Baht 5,934,068,140.50 from the registered capital of Baht 471,958,377.50 to Baht 6,406,026,518 by issuing newly issued ordinary shares in the amount of not exceeding 11,868,136,281 shares at a par value each of Baht 0.50 and the amendment of Clause 4. of the Company’s Memorandum of Association to be in line with the increase of the Company’s registered capital.
3. approved to propose to the Extraordinary General Meeting of Shareholders to consider and approve the issuance and allocation of warrants to purchase ordinary shares of the Company No. 3 (WAVE-W3) (“**WAVE-W3**”) in the number of not exceeding 2,617,539,003 units to existing shareholders who have subscribed and already paid for the newly issued ordinary shares of the Company allocated to the existing shareholders proportionate to their respective shareholding (Rights Offering) at the ratio of 3 newly issued ordinary shares to 1 unit of WAVE-W3 (Fractions derived from the calculation will be rounded down) without consideration (the offering price of Baht 0 per unit). The exercise ratio of WAVE-W3 is 1 unit of WAVE-W3 to 1 ordinary share at the exercise price of Baht 0.15 per share. The details are as appeared in the Information Memorandum regarding the issuance and offering of newly

issued ordinary shares to existing shareholders proportionate to their respective shareholdings (Rights Offering) of Wave Entertainment Public Company Limited (**Enclosure 2**) and the Summary of Preliminary Information of the Warrants to purchase ordinary shares of Wave Entertainment Public Company Limited No. 3 (**Enclosure 3**)

The exercise price of WAVE-W3 is lower than par value of shares of the Company of Baht 0.50. In this regard, the Company is entitled to prescribe the exercise price of WAVE-W3 being less than the par value of the Company' shares as the Company has an accumulated loss as appeared in the latest separate financial statements as of 31 March 2022 in the amount of Baht 869.82 million, provided that the Company obtain the approval from the shareholders' meeting, pursuant to Section 52 of the Public Company Limited Act B.E. 2535 (as amended).

In addition, the Board of Directors' meeting proposed to the Extraordinary General Meeting of Shareholders to consider approving the Board of Directors and/or the authorized directors and/or any person designated by the Board of Directors or the authorized directors to have the authority to consider and perform any act relating to, necessary for and/or in connection with issuance and allocation of WAVE-W3 to be in compliance with the law, including but not limited to:

- (a) determining conditions and other details relating to the issuance and allocation of WAVE-W3;
  - (b) negotiating, agreeing, entering into, amending, adding, signing agreements, applications form, request for waiver, evidence, disclosure, report on the offering for sale, and any documents necessary for and in connection with the issuance and allocation of WAVE-W3, as well as contact, filing, amendment, addition and signing of the applications for permission, waiver, evidence, disclosure, report on the offering for sale, and various documents with the Office of Securities and Exchange Commission ("SEC Office"), the Stock Exchange of Thailand ("SET"), governmental agencies or relevant authorities in relation to the issuance and allocation of WAVE-W3 and the listing of the WAVE-W3 and the newly issued ordinary shares from the exercise of WAVE-W3 as listed on the SET;
  - (c) performing any other related act as necessary and appropriate in connection with the issuance and allocation of WAVE-W3 to duly complete the foregoing act and the issuance and allocation of WAVE-W3 on this occasion.
4. approved to propose to the Extraordinary General Meeting of Shareholders to consider and approve the allocation of newly issued ordinary shares in the amount of not exceeding 11,868,136,281 shares at a par value each of Baht 0.50 for (i) the allocation of newly issued ordinary shares to the existing shareholders proportionate to their respective shareholding (Rights Offering) (ii) to accommodate the exercise of WAVE-W3 and (iii) to accommodate the right adjustment of warrants to purchase ordinary shares of the Company No. 2 (WAVE-W2) ("**WAVE-W2**") as follows:
- 4.1 to allocate the newly issued ordinary shares in the number of not exceeding 7,852,617,010 shares to the existing shareholders proportionate to their respective shareholdings at the subscription price of Baht 0.10 per a share. However, the allocation ratio of the newly issued shares proportionate to their respective shareholdings (Rights Offering) is uncertain and depending on the result of the exercise of WAVE-W2 on 15 September 2022. However, the allocation ratio is in the range of 1 – 1.25 existing ordinary shares: 10 newly issued ordinary share by which is calculated for 2 cases, i.e., (i) all WAVE-W2 holders have not exercised the right to convert this time (Allocation Ratio: 1) and (ii) all WAVE-W2 holders exercise the entire amount of WAVE-W2 conversion on the above-mentioned exercise date (Allocation Ratio: 1.25). The Board

of Directors and/or the authorized directors and/or any person designated by the Board of Directors or the authorized directors will determine the final allocation ratio after knowing the exact result of the WAVE-W2 conversion right (Fractions derived from the calculation will be rounded down.) as detailed in the Capital Increase Report Form (F53-4) (**Enclosure 1**) and the Information Memorandum regarding the issuance and offering of newly issued ordinary shares to existing shareholders proportionate to their respective shareholdings (Rights Offering) of Wave Entertainment Public Company Limited (**Enclosure 2**). The subscription date for the newly issued ordinary shares of the Company shall be 7, 10 – 12, and 17 October 2022 (totaling 5 business days). The date to determine shareholders who are entitled to the allocation and offering of the newly issued ordinary shares proportionate to their respective shareholding together with WAVE-W3 (Record Date) shall be 21 September 2022

If there are newly issued ordinary shares remaining after the first allocation to the existing shareholders proportionate to their respective shareholdings, the Company shall allocate the remaining shares to the shareholders who have oversubscribed at the offering price of Baht 0.10 per share (the same offering price). In the allocation of such newly issued ordinary shares, the Company shall again allocate the remaining shares to shareholders until there is no share remaining or until there is no shareholder expresses their intention to subscribe the newly issued ordinary shares or it cannot be allocated due to the fractions of shares, subject to the following conditions:

- (a) In the case that the number of shares remaining from the first allocation to the existing shareholders proportionate to their respective shareholdings (Rights Offering) is higher than or equal to the number of shares that the existing shareholders has oversubscribed, the Company shall allocate such remaining shares to all shareholders who have oversubscribed and already paid for such shares.
- (b) In the case that the number of shares remaining from the first allocation to the Company's existing shareholders according to their rights offering is less than the number of shares that existing shareholders have oversubscribed, the remaining shares shall be allocated to the shareholders who oversubscribe by following procedures:
  - (b.1) the remaining shares shall be allocated according to the rights offering of each shareholder who oversubscribes by taking the rights offering of each oversubscribing existing shareholder multiplied by the number of remaining shares, resulted in the number of excess rights shares for each shareholder (Fractions derived from the calculation will be rounded down). The number of allocated shares shall not exceed the number of subscribed and paid shares of each shareholder.
  - (b.2) In the case that there are some remaining shares from the allocation in (b.1), they shall be allocated to each oversubscribing shareholder who has not yet received complete allocated shares by following the (b.1) procedure until there is no remaining share. The number of allocated shares shall not exceed the number of subscribed and paid shares of each shareholder.

In addition, shareholding percentage of each shareholder in the Company following the issuance and allocation of newly issued ordinary shares in any case must not make any shareholder hold the shares of the Company by which will be required to make a tender offer for securities according to the Notification of the Capital Market Supervisory Board TorJor. 12/2554, re: Rules, Conditions and Procedures for Acquisition of

Securities for Business Takeovers or violates the restrictions on foreign shareholding as specified in the Company's Articles of Association.

The subscription price of the newly issued ordinary shares on this occasion is lower than par value of shares of the Company of Baht 0.50. In this regard, the Company is entitled to issue and offer the newly issued ordinary shares at the price less than the par value of the Company's shares as the Company has an accumulated loss as appeared in the latest separate financial statements as of 31 March 2022 in the amount of Baht 869.82 million, provided that the Company shall obtain the approval from the shareholders' meeting, pursuant to Section 52 of the Public Company Limited Act B.E. 2535 (as amended).

The Board of Directors' meeting proposed to the Extraordinary General Meeting of Shareholders to consider approving the Board of Directors and/or the authorized directors and/or any person designated by the Board of Directors or the authorized directors to have the authority to consider and perform any act relating to, necessary for and/or in connection with the increase of registered capital and the allocation of the newly issued ordinary shares of the Company, including but not limited to:

- (a) determining conditions and details relating to the allocation of newly issued ordinary shares and other details relating to the allocation of the newly issued ordinary shares;
  - (b) determining or changing the details of the allocation, such as whether the newly issued ordinary shares shall be allocated in whole for offering at one time, or in portions for offering in lots from time to time, allocation ratio, the date to determine shareholders who are entitled to the allocation and offering of the newly issued ordinary shares proportionate to their respective shareholding together with WAVE-W3 (Record Date), subscription date, subscription and payment period, subscription price, payment method or any other details with respect to the allocation and the offer for sale;
  - (c) signing the application form, request for waiver, notification, or any other documents related to the increase of registered capital and the allocation of new ordinary shares, including certifying any relevant documents, contact with and/or receiving documents from any officer or representative of any relevant organization, listing of such newly issued ordinary shares on the SET;
  - (d) registering with Department of Business Development, Ministry of Commerce, and having power to undertake any necessary actions in compliance with the order of the registrar in order to duly complete the registration;
  - (e) performing any other related and necessary act in connection with the increase of registered capital and allocation of newly issued ordinary shares to be in compliance with the relevant laws and/or regulations;
  - (f) appointing and designating other appropriate persons to be the substitute attorney in fact to perform the foregoing acts
- 4.2 to allocate the newly issued ordinary shares remaining unallocated after the allocation in respect of the rights offering in accordance with 4.1, either in whole or in part for issuing and offering to specific persons (Private Placement), including institutional investors and/or specified investors pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Approval for Listed Companies to Offer

Newly Issued Shares through Private Placement (as amended) (the “**TorJor. 72/2558 Notification**”) (the “**Private Placement**”) whereas the persons to whom the new ordinary shares under the Private Placement will be allocated must be investors who are not the connected persons of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 and its amendments, and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected transaction B.E. 2546 dated 19 November 2003 and its amendments. The details are as appeared in the Capital Increase Report Form (F53-4) (**Enclosure 1**) and the Information Memorandum regarding the issuance and offering of newly issued ordinary shares to existing shareholders proportionate to their respective shareholdings of Wave Entertainment Public Company Limited (**Enclosure 2**).

The Board of Directors’ meeting approved to propose to the Extraordinary General Meeting of Shareholders to consider approving the Board of Directors and/or the authorized directors as designated by the Board of Directors to have the authority to determine the offering price of the newly issued ordinary shares in respect of the Private Placement (the “**PP Offering Price**”) which shall be the best price subjected to the market condition at the time of offering with a possible discount of not exceeding 10 percent of the market price pursuant to TorJor. 72/2558 Notification calculated based on the weighted average price of the Company’s shares traded on the SET for not less than 7 consecutive business days, but not exceeding 15 consecutive business days, prior to the date of PP Offering Price prescription (the “**Best Price per Market Condition**”). However, such offering price shall not be less than the offering price of shares allocated to the existing shareholder proportionate to their shareholdings at Baht 0.10 per share. In this regard, in case the Best Price per Market Condition is less than the par value of the Company’s share, the Company may issue and offered shares with the PP Offering Price being less than the par value of the Company’s share but not less than Baht 0.10 per share if, at the date which PP Offering Price is prescribed by the Board of Directors and/or the authorized directors as designated by the Board of Directors, the Company has an accumulated loss as appeared in the latest separate financial statements which was reviewed by the auditor. The Company is required to complete the offering of the newly issued ordinary shares in the Private Placement within 12 months from the date on which the meeting of shareholders resolves to approve such offering.

In addition, shareholding percentage of each investor in the Company following the issuance and offering of newly issued ordinary shares in any case must not make any investor hold the shares of the Company by which will be required to make a tender offer for securities according to the Notification of the Capital Market Supervisory Board TorJor. 12/2554 re: Rules, Conditions and Procedures for Acquisition of Securities for Business Takeovers or violates the restrictions on foreign shareholding as specified in the Company’s Articles of Association.

The Board of Directors’ meeting proposed to the Extraordinary General Meeting of Shareholders to consider approving the Board of Directors and/or the authorized directors as designated by the Board of Directors to have the authority to consider and perform any act relating to, necessary for and/or in connection with the allocation of the newly issued ordinary shares of the Company, including but not limited to:

- (a) determining any conditions and details in relation to the Private Placement, including, but not limited to:
  - a. the number of newly issued ordinary shares to be allocated and the method of allocation of shares under the Private Placement;

- b. the allocation of newly issued ordinary shares under the Private Placement in whole for offering at one time, or in portions for offering in lots from time to time whereby a change of paid-up capital can be registered for each lot of offering according to share payment by allocated persons in each lot;
  - c. persons to be allocated with the newly issued ordinary shares under the Private Placement;
  - d. the PP Offering Price and the calculation of the PP Offering Price;
  - e. the offering period of the Private Placement and share payment under the Private Placement; and
  - f. any other conditions and details of the Private Placement
- (b) negotiating, agreeing, entering into, amending, adding and signing agreement, application form, request for waiver, notification, instrument or any other documents related to the increase of registered capital and the allocation of newly issued ordinary shares, including certifying any relevant documents, contact with or receive documents from any officer or representative of any relevant organization, including the SEC Office and listing of such newly issued ordinary shares on the SET;
- (c) registering with the Department of Business Development, Ministry of Commerce and having power to undertake any necessary actions in compliance with the order of the registrar in order to duly complete the registration;
- (d) performing any other related and necessary act in connection with the increase of registered capital and allocation of newly issued ordinary shares;
- (e) appointing and designating other appropriate persons to be the substitute attorney in fact to perform the foregoing acts
- 4.3 to allocate the newly issued ordinary shares of the Company in the amount of not exceeding 2,617,539,003 shares at a par value each of Baht 0.50 to accommodate for the exercise of WAVE-W3 which will be allocated to the existing shareholders who subscribe and pay the newly issued shares proportionate to their respective shareholdings (Rights Offering) at the ratio of 3 newly issued ordinary shares to 1 unit of WAVE-W3 without consideration (the offering price of Baht 0 per unit) as detailed in Clause 3 above. The additional details are as appeared in the Capital Increase Report Form (F53-4) (**Enclosure 1**), the Information Memorandum regarding the issuance and offering of newly issued ordinary shares to existing shareholders proportionate to their respective shareholdings of Wave Entertainment Public Company Limited (**Enclosure 2**) and the Summary of Preliminary Information of the Warrants to purchase ordinary shares of Wave Entertainment Public Company Limited No. 3 (**Enclosure 3**)

The Board of Directors' meeting proposed to the Extraordinary General Meeting of Shareholders to consider approving the Board of Directors and/or the authorized directors and/or any person designated by the Board of Directors or the authorized directors to have the authority to consider and perform any act relating to, necessary for and/or in connection with issuance and allocation of WAVE-W3 to be in compliance with the law, including but not limited to:

- (a) determining conditions and other details relating to the issuance and allocation of WAVE-W3;
  - (b) negotiating, agreeing, entering into, amending, adding, signing agreements, applications form, request for waiver, evidence, disclosure, report on the offering for sale, and any documents necessary for and in connection with the issuance and allocation of WAVE-W3, as well as contact, filing, amendment, adding and signing of the applications for permission, waiver, evidence, disclosure, report on the offering for sale, and various documents with the SEC Office, SET, governmental agencies or relevant authorities in relation to the issuance and allocation of WAVE-W3 and the listing of WAVE-W3 and the newly issued ordinary shares from the exercise of WAVE-W3 on the SET;
  - (c) performing any other related act as necessary and appropriate in connection with the issuance and allocation of WAVE-W3 to duly complete the foregoing act and the issuance and allocation of WAVE-W3 on this occasion.
- 4.4 to allocate the newly issued ordinary shares of the Company in the amount of not exceeding 1,397,980,268 shares at a par value each of Baht 0.50 to accommodate the right adjustment for WAVE-W2 as a result of (i) the allocation of newly issued shares to the existing shareholders proportionate to their respective shareholding (Rights Offering) at the exercise price less than 90 percent of the market price and (ii) the issuance and allocation of WAVE-W3 at the exercise price less than 90 percent of the market price in line with the right adjustment and exercise ratio in accordance with the Terms and Conditions Governing Rights and Obligations of the Issuers and Holders of the Warrants to Purchase Newly-Issued Ordinary Shares No. 2 of Wave Entertainment Public Company Limited (WAVE-W2).

However, the Company will be able to calculate the exercise price, exercise ratio, and the amount of newly issued shares to accommodate the right adjustment of WAVE-W2 based on the market price of the ordinary shares which is equivalent to the weighted average market price of the ordinary shares of the Company traded on the SET for 7 consecutive business days before the first date that the WAVE-W2 holders are not entitled to the right to subscribe for the newly issued ordinary shares (the first day that the SET posts the XR sign). The calculation of exercise price, exercise ratio, and the amount of newly issued shares to accommodate the right adjustment of WAVE-W2 as of the date of this Board of Directors' meeting is only the preliminary calculation by referencing to the highest market price of the Company during the past one year.

5. approved to convene the Extraordinary General Meeting of Shareholders No.1/2022 on Tuesday, 13 September 2022 at 14.00 in the form of electronic meeting (E-EGM) pursuant to the Emergency Decree on Electronic Meetings, B.E. 2563 (2020) as well as other relevant laws and requirement. In this regard, the Board of Directors determined the record date to determine the shareholders eligible to attend the Extraordinary General Meeting of Shareholders No. 1/2022 (Record Date) to be on Friday, 19 August 2022, and determined the agendas to be considered in such meeting as follows:

- Agenda 1 To consider and certify the minutes of Annual General Meeting of Shareholders 2022 (No. 29/2022) held on 11 April 2022
- Agenda 2 To consider and approve the reduction of Company's registered capital in the amount of Baht 235,578,510 from the existing registered capital in the amount of Baht 707,536,887.50 to Baht 471,958,377.50 by cancelling the unsold shares in the amount of Baht 471,157,020 at a par value each of Baht 0.50 and

the amendment of Clause 4. of the Company's Memorandum of Association to be in line with the reduction of Company's registered capital.

- Agenda 3 To consider and approve the increase of Company's registered capital in the amount of not exceeding Baht 5,934,068,140.50 from the registered capital of Baht 471,958,377.50 to Baht 6,406,026,518 by issuing newly issued ordinary shares in the amount of not exceeding 11,868,136,281 shares at a par value each of Baht 0.50 and the amendment of Clause 4. of the Company's Memorandum of Association to be in line with the increase of Company's registered capital.
- Agenda 4 To consider and approve the issuance and allocation of warrants to purchase ordinary shares of the Company No. 3 ( WAVE-W3) in the number of not exceeding 2,617,539,003 units to existing shareholders who subscribe the newly issued ordinary shares proportionate to their respective shareholding
- Agenda 5 To consider and approve the allocation of newly issued ordinary shares in the amount of not exceeding 11,868,136,281 shares at a par value each of Baht 0.50 for (i) the allocation of newly issued ordinary shares to the existing shareholders proportionate to their respective shareholding (Rights Offering) (ii) to accommodate the exercise of warrants to purchase ordinary shares of the Company No.3 (WAVE-W3) and (iii) to accommodate the right adjustment of warrants to purchase ordinary shares of the Company No. 2 (WAVE-W2)
- Agenda 6 To consider and approve other matters (if any)

The Board of Directors has approved to authorize the Board of Directors and/or the authorized directors and/or any person designated by the Board of Directors or the authorized directors to consider revising and/or determining date, time, agenda, details within agenda and venue to the extent permissible by the laws.

In these regards, the Company is to inform the shareholders in details of the procedure in relation to the participation in the Extraordinary General Meeting of Shareholders via electronic meeting in the notice of meeting to be further delivered to the shareholders.

Please be informed accordingly.

Yours sincerely,

- Mr. Matthew Kichodhan -

Mr. Matthew Kichodhan  
Chairman and CEO  
Wave Entertainment Public Company Limited



**Capital Increase Report Form**  
**Wave Entertainment Public Company Limited**  
**5 August 2022**

We, Wave Entertainment Public Company Limited (the “**Company**”), hereby report on the resolution of Board of Directors meeting No. 3/2022, held on 5 August 2022, relating to a capital increase and share allocation as follows:

**1. The reduction and increase of the registered capital:**

- 1.1 The Board of Directors’ meeting has approved and proposed to the shareholders’ meeting to consider and approve the reduction of the Company’s registered capital of Baht 235,578,510 from the existing registered capital in the amount of Baht 707,536,887.50 to Baht 471,958,377.50 by cancelling the unsold shares in the amount of 471,157,020 shares at a par value each of Baht 0.50.
- 1.2 The Board of Directors’ meeting has approved and proposed to shareholders’ meeting to consider and approve the increase of the Company’s registered capital in the amount of not exceeding Baht 5,934,068,140.50 from the registered capital of Baht 471,958,377.50 to Baht 6,406,026,518 by issuing newly issued ordinary shares of not exceeding 11,868,136,281 shares at a par value each of Baht 0.50. The details of the capital increase are as follows:

Type of capital increase	Type of share	Number of shares (shares)	Par value (Baht/share)	Total (Baht)
<input checked="" type="checkbox"/> Specific purpose of utilizing the proceeds	Ordinary Preferred	11,868,136,281	0.50 -	5,934,068,140.50
<input type="checkbox"/> General mandate	Ordinary Preferred	- -	- -	- -

**2. Allocation of newly issued shares:**

**2.1 Specific purpose of utilizing the proceeds**

Allocated to	Number of shares (shares)	Ratio (old : new)	Sale price (Baht/share)	Subscription and payment period	Note
1. To the existing shareholders proportionate to their respective shareholdings (Rights Offering)	Not exceeding 7,852,617,010 shares	1 – 1.25 existing ordinary shares: 10 newly issued ordinary share	0.10	7, 10 – 12, and 17 October 2022 (totalling 5 business days) Please consider remark (1)	Please consider remark (1)

Allocated to	Number of shares (shares)	Ratio (old : new)	Sale price (Baht/share)	Subscription and payment period	Note
2. To accommodate the exercise of warrants to purchase ordinary shares No.3 (“WAVE-W3”) to be allocated to the existing shareholders who have subscribed the newly issued ordinary shares	Not exceeding 2,617,539,003 shares	3 newly issued ordinary shares to 1 unit of the warrant	Without offering price (1 unit of WAVE-W3 will be entitled to purchase ordinary shares at the price of Baht 0.15 per 1 share)	Please consider remark (2)	Please consider remark (2)
3. To accommodate the right adjustment of warrants to purchase ordinary shares No.2 (“WAVE-W2”)	Not exceeding 1,397,980,268 shares	-	-	-	Please consider remark (3)

**Remarks:**

- (1) The allocation of the newly issued ordinary shares in the amount of not exceeding 7,852,617,010 shares shall be to the existing shareholders proportionate to their respective shareholdings (Rights Offering) at the subscription price of Baht 0.10 per a share. However, the allocation ratio is uncertain and depending on the result of the exercise of WAVE-W2 on 15 September 2022. However, the allocation ratio is in the range of 1 – 1.25 existing ordinary shares: 10 newly issued ordinary share by which is calculated for 2 cases, i.e., (i) all WAVE-W2 holders have not exercised the right to convert this time (Allocation Ratio: 1) and (ii) all WAVE-W2 holders exercise the entire amount of WAVE-W2 conversion on the above-mentioned exercise date (Allocation Ratio: 1.25). The Board of Directors and/or the authorized directors and/or any person designated by the Board of Directors or the authorized directors will determine the final allocation ratio after knowing the exact result of the WAVE-W2 conversion right (Fractions derived from the calculation will be rounded down.) The subscription date for the newly issued ordinary shares of the Company shall be the period between 7, 10 – 12, and 17 October 2022 (totalling 5 business days). The date to determine shareholders who are entitled to the allocation and offering of the newly issued ordinary shares proportionate to their respective shareholding together with WAVE-W3 (Record Date) shall be 21 September 2022.

If there are newly issued ordinary shares remaining after the first allocation to the existing shareholders proportionate to their respective shareholdings, the Company shall allocate the remaining shares to the shareholders who have oversubscribed at the offering price of Baht 0.10 per share (the same offering price). In the allocation of such newly issued ordinary shares, the Company shall again allocate the remaining shares to shareholders until there is no share remaining or until there is no shareholder expresses their intention to subscribe the newly issued ordinary shares or it cannot be allocated due to the fractions of shares, subject to the following conditions:

- (a) In the case that the number of shares remaining from the first allocation to the existing shareholders proportionate to their respective shareholdings (Rights Offering) is higher than or equal to the number of shares that the existing shareholders has oversubscribed, the Company shall allocate such remaining shares to all shareholders who have oversubscribed and already paid for such shares.
- (b) In the case that the number of shares remaining from the first allocation to the Company's existing shareholders according to their rights offering is less than the number of shares that existing shareholders have oversubscribed, the remaining shares shall be allocated to the shareholders who oversubscribe by following procedures:
  - (b.1) the remaining shares shall be allocated according to the rights offering of each shareholder who oversubscribes by taking the rights offering of each oversubscribing existing shareholder multiplied by the number of remaining shares, resulted in the number of excess rights shares for each shareholder (Fractions derived from the calculation will be rounded down.). The number of allocated shares shall not exceed the number of subscribed and paid shares of each shareholder.
  - (b.2) In the case that there are some remaining shares from the allocation in (b.1), they shall be allocated to each oversubscribing shareholder who has not yet received complete allocated shares by following the (b.1) procedure until there is no remaining share. The number of allocated shares shall not exceed the number of subscribed and paid shares of each shareholder.

In addition, shareholding percentage of each shareholder in the Company following the issuance and allocation of newly issued ordinary shares in any case must not make any shareholder hold the shares of the Company by which will be required to make a tender offer for securities according to the Notification of the Capital Market Supervisory Board TorJor. 12/2554, re: Rules, Conditions and Procedures for Acquisition of Securities for Business Takeovers or violates the restrictions on foreign shareholding as specified in the Company's Articles of Association.

The subscription price of the newly issued ordinary shares on this occasion is lower than par value of shares of the Company of Baht 0.50. In this regard, the Company is entitled to issue and offer the newly issued ordinary shares at the price less than the par value of the Company's shares as the Company has an accumulated loss as appeared in the latest separate financial statements as of 31 March 2022 in the amount of Baht 869.82 million, provided that the Company shall obtain the approval from the shareholders' meeting, pursuant to Section 52 of the Public Company Limited Act B.E. 2535 (as amended).

The Board of Directors and/or the authorized directors and/or any person designated by the Board of Directors or the authorized directors shall have the authority to consider and perform any act relating to, necessary for and/or in connection with the increase of registered capital and the allocation of the newly issued ordinary shares of the Company, including but not limited to:

- (a) determining conditions and details relating to the allocation of newly issued ordinary shares and other details relating to the allocation of the newly issued ordinary shares;
- (b) determining or changing the details of the allocation, such as whether the newly issued ordinary shares shall be allocated in whole for offering at one time, or in portions for offering in lots from time to time, allocation ratio, the date to determine shareholders who are entitled to the allocation and offering of the newly issued ordinary shares proportionate to their respective shareholding together with WAVE-W3 (Record Date), subscription date, subscription and payment period, subscription price, payment method or any other details with respect to the allocation and the offer for sale;
- (c) signing the application form, request for waiver, notification, or any other documents related to the increase of registered capital and the allocation of new ordinary shares, including certifying any relevant documents, contact with and/or receiving documents from any officer or representative of any relevant organization, listing of such newly issued ordinary shares on the Stock Exchange of Thailand (“SET”);
- (d) registering with Department of Business Development, Ministry of Commerce, and have power to undertake any necessary actions in compliance with the order of the registrar in order to duly complete the registration;
- (e) performing any other related and necessary act in connection with the increase of registered capital and allocation of newly issued ordinary shares to be in compliance with the relevant laws and/or regulations;
- (f) appointing and designating other appropriate persons to be the substitute attorney in fact to perform the foregoing acts

In the case there are remaining unallocated newly issued ordinary shares after the allocation in respect of the rights offering in accordance with the abovementioned details, such remaining unallocated newly issued ordinary shares from such allocation, either in whole or in part, shall be issued and offered to specific persons (private placement), including institutional investors and/or specified investors pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Approval for Listed Companies to Offer Newly Issued Shares through Private Placement (as amended) (the “**TorJor. 72/2558 Notification**”) (the “**Private Placement**”) whereas the persons to whom the new ordinary shares under the Private Placement will be allocated must be investors who are not the connected persons of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 and its amendments, and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected transaction B.E. 2546 dated 19 November 2003 and its amendments.

The Board of Directors and/or the authorized directors as designated by the Board of Directors shall be authorized to determine the offering price of the newly issued

ordinary shares in respect of the Private Placement (the “**PP Offering Price**”) which shall be the best price subjected to the market condition at the time of offering with a possible discount of not exceeding 10 percent of the market price pursuant to TorJor. 72/2558 Notification calculated based on the weighted average price of the Company’s shares traded on the SET for not less than 7 consecutive business days, but not exceeding 15 consecutive business days, prior to the date of PP Offering Price prescription (the “Best Price per Market Condition”). However, such offering price shall not be less than the offering price of shares allocated to the existing shareholder proportionate to their shareholdings at Baht 0.10 per share. In this regard, in case the Best Price per Market Condition is less than the par value of the Company’s share, the Company may issue and offered shares with the PP Offering Price being less than the par value of the Company’s share but not less than Baht 0.10 per share if, at the date which PP Offering Price is prescribed by the Board of Directors and/or the authorized directors as designated by the Board of Directors, the Company has an accumulated loss as appeared in the latest separate financial statements which was reviewed by the auditor. The Company is required to complete the offering of the newly issued ordinary shares in the Private Placement within 12 months from the date on which the meeting of shareholders resolves to approve such offering.

In addition, shareholding percentage of each investor in the Company following the issuance and offering of newly issued ordinary shares in any case must not make any investor hold the shares of the Company by which will be required to make a tender offer for securities according to the Notification of the Capital Market Supervisory Board TorJor. 12/2554, re: Rules, Conditions and Procedures for Acquisition of Securities for Business Takeovers or violates the restrictions on foreign shareholding as specified in the Company’s Articles of Association.

The Board of Directors and/or the authorized directors as designated by the Board of Directors shall have the authority to consider and perform any act relating to, necessary for and/or in connection with the allocation of the newly issued ordinary shares of the Company, including but not limited to:

- (a) determining any conditions and details in relation to the Private Placement, including, but not limited to:
  - a. the number of newly issued ordinary shares to be allocated and the method of allocation of shares under the Private Placement;
  - b. the allocation of newly issued ordinary shares under the Private Placement in whole for offering at one time, or in portions for offering in lots from time to time whereby a change of paid-up capital can be registered for each lot of offering according to share payment by allocated persons in each lot;
  - c. persons to be allocated with the newly issued ordinary shares under the Private Placement;
  - d. the PP Offering Price and the calculation under the PP Offering Price;
  - e. the offering period of the Private Placement and share payment under the Private Placement; and
  - f. any other conditions and details of the Private Placement
- (b) negotiating, agreeing, entering into, amending, adding and signing agreement, application form, request for waiver, notification, instrument or any other

documents related to the increase of registered capital and the allocation of newly issued ordinary shares, including certifying any relevant documents, contact with and/or receiving documents from any officer or representative of any relevant organization, including the Office of the Securities and Exchange Commission (“**SEC Office**”) and listing of such newly issued ordinary shares on the SET;

- (c) registering with the Department of Business Development, Ministry of Commerce and have power to undertake any necessary actions in compliance with the order of the registrar in order to duly complete the registration;
- (d) performing any other related and necessary act in connection with the increase of registered capital and allocation of newly issued ordinary shares;
- (e) appointing and designating other appropriate persons to be the substitute attorney in fact to perform the foregoing acts

However, the issuance and the offering of the newly issued ordinary shares will be conditional upon the approval of the Extraordinary General Meeting of Shareholders No. 1/2022.

- (2) The allocation of newly issued ordinary shares of the Company in the amount of not exceeding 2,617,539,003 shares at a par value each of Baht 0.50 shall be for accommodating the exercise of WAVE-W3 which will be allocated to the existing shareholders who subscribe and pay the newly issued shares proportionate to their respective shareholdings (Rights Offering) at the ratio of 3 newly issued ordinary shares to 1 unit of WAVE-W3 without consideration (the offering price of Baht 0 per unit). The exercise ratio of 1 unit of WAVE-W3 is 1 newly issued ordinary share with a par value each of Baht 0.50 at the exercise price of Baht 0.15 per share. The details are as appeared in the Information Memorandum regarding the issuance and offering of newly issued ordinary shares to existing shareholders proportionate to their respective shareholdings of Wave Entertainment Public Company Limited (**Enclosure 2**) and the Summary of Preliminary Information of the Warrants to purchase ordinary shares of Wave Entertainment Public Company Limited No. 3 (**Enclosure 3**)

The exercise price of WAVE-W3 is lower than par value of shares of the Company of Baht 0.50. In this regard, the Company is entitled to prescribe the exercise price of WAVE-W3 being less than the par value of the Company’ shares as the Company has an accumulated loss as appeared in the latest separate financial statements as of 31 March 2022 in the amount of Baht 869.82 million, provided that the Company obtain the approval from the shareholders’ meeting, pursuant to Section 52 of the Public Company Limited Act B.E. 2535 (as amended).

In order to provide the appropriate terms and conditions of WAVE-W3 in accordance with the capital market and money market conditions and for the benefits of the Company and the shareholders, the Board of Directors and/or the authorized directors and/or any person designated by the Board of Directors or the authorized directors to have the authority to consider and perform any act relating to, necessary for and/or in connection with issuance and allocation of WAVE-W3 to be in compliance with the law, including but not limited to:

- (a) determining conditions and other details relating to the issuance and allocation of WAVE-W3;

- (b) negotiating, agreeing, entering into, amending, adding, signing agreements, applications form, request for waiver, evidence, disclosure, report on the offering for sale, and any documents necessary for and in connection with the issuance and allocation of WAVE-W3, as well as contact, filing, amendment, adding and signing of the applications for permission, waiver, evidence, disclosure, report on the offering for sale, and various documents with the SEC Office, SET, governmental agencies or relevant authorities in relation to the issuance and allocation of WAVE-W3 and the listing of WAVE-W3 and the newly issued ordinary shares from the exercise of WAVE-W3 on the SET;
- (c) performing any other related act as necessary and appropriate in connection with the issuance and allocation of WAVE-W3 to duly complete the foregoing act and the issuance and allocation of WAVE-W3 on this occasion.

However, the rights to the allocation of WAVE-W3 will be conditional upon the approval of the Extraordinary General Meeting of Shareholders No. 1/2022. The conditions and the details of WAVE-W3 are as appeared in the Summary of Preliminary Information of the Warrants to purchase ordinary shares of Wave Entertainment Public Company Limited No. 3 (**Enclosure 3**).

- (3) The allocation of the newly issued ordinary shares of the Company in the amount of not exceeding 1,397,980,268 shares at a par value each of Baht 0.50 shall be for accommodating the right adjustment for WAVE-W2 as a result of (i) the allocation of newly issued shares to the existing shareholders proportionate to their respective shareholding (Rights Offering) at the exercise price less than 90 percent of the market price and (ii) the issuance and allocation of WAVE-W3 at the exercise price less than 90 percent of the market price in line with the right adjustment and exercise ratio in accordance with the Terms and Conditions Governing Rights and Obligations of the Issuers and Holders of the Warrants to Purchase Newly-Issued Ordinary Shares No. 2 of Wave Entertainment Public Company Limited (WAVE-W2).

However, the Company will be able to calculate the exercise price, exercise ratio, and the amount of newly issued shares to accommodate the right adjustment of WAVE-W2 based on the market price of the ordinary shares which is equivalent to the weighted average market price of the ordinary shares of the Company traded on the SET for 7 consecutive business days before the first date that the WAVE-W2 holders are not entitled to the right to subscribe for the newly issued ordinary shares (the first day that the SET posts the XR sign). The calculation of exercise price, exercise ratio, and the amount of newly issued shares to accommodate the right adjustment of WAVE-W2 as of the date of this Board of Directors' meeting is only the preliminary calculation by referencing to the highest market price of the Company during the past one year.

## **2.2 Actions to be taken by the Company in case of a fraction of shares**

The Board of Directors and/or the authorized directors and/or any person designated by the Board of Directors or the authorized directors shall have the authority to consider using discretion to round down fraction or undertake other actions as deemed necessary and appropriate in order to duly complete the capital increase.

## **3. Schedule for a shareholders' meeting to approve the capital increase/allocation**

The Extraordinary General Meeting of Shareholders No. 1/2022 is scheduled to be held on Tuesday, 13 September 2022 at 14.00 in the form of electronic meeting (E-EGM) pursuant to the Emergency Decree on Electronic Meetings, B.E. 2563 (2020) as well as other relevant laws

and requirement and the date to determine the shareholders eligible to attend the Extraordinary General Meeting of Shareholders No. 1/2022 (Record Date) on Friday, 19 August 2022.

4. **Approval of the capital increase/share allocation by relevant governmental agency and conditions thereto**

4.1 The Company will register the reduction and increase of its registered capital, the change of paid-up capital and the amendment of the Company’s Memorandum of Association with the Department of Business Development, the Ministry of Commerce to be in accordance with the reduction and increase of its registered capital.

4.2 The Company must obtain approval from the SET for listing the newly issued ordinary shares of the Company and WAVE-W3 as listed securities on the SET.

5. **Objectives of the capital increase and plans for utilizing proceeds received from the capital increase**

Due to the uncertainty of the domestic and foreign economic situation and various negative factors such as the virus pandemic situation as well as the air pollution situation etc., causing domestic consumption to decrease and affecting revenues and cash flow of the Company. Therefore, it is necessary to increase capital and issue WAVE-W3 to expand its business and investment in new project in relation to the sustainability of business development by taking into account the environmental, social, and governance (Environmental, Social, and Governance : ESG), including partial repayment of outstanding loans to financial institutions and working capital of the Company and its subsidiaries as well as the solutions for C sign alert (: shareholders’ equity less than 50% of paid-up capital). The Board of Directors views that the proceeds from such capital increase and issuance of WAVE-W3 will increase liquidity and operating cash flow of the Company and will be sufficient for the repayment of loans of the Company as they become due, including the business expansion and/or investment in new projects, the details of which are as follows:

<b>Objectives</b>	<b>Proceeds (Baht Million)</b>	<b>Timeline</b>
1. Business expansion and/or investment in new project	900	Within 2022 - 2023
2. Working capital	100	-
3. Repayment of loan due and payable to financial institutions	200	Due date of repayment term
<b>Total</b>	1,200	

After the issuance and offering of newly issued ordinary shares and partial loan repayment to financial institution, the Company’s debt to equity ratio will decrease from 1.66 times to 0 times (calculated based on the Company’s statement of financial position as of 31 March 2022).



6. **Benefits which the Company will receive from the capital increase/share allocation**

To increase additional capital to the Company for operating of business of the Company and its subsidiaries, for partial debt repayment to financial institutions, business expansion and/or investment in new projects in relation to the sustainability of business development by taking into account the environmental, social, and governance (Environmental, Social, and Governance : ESG) as well as the solutions for C sign alert (: shareholders' equity less than 50% of paid-up capital). Such capital increase will result in a decrease in the Company's liabilities, interests, and other related expenses. In addition, the Company's debt to equity ratio will be decreased.

7. **Benefits which shareholders will receive from the capital increase/share allocation**

7.1 The Company's policy is to pay its dividend to shareholders at a rate approximately not lower than 50% of its net profit after deducted corporate income tax and after deducted statutory reserves and other reserve each year

7.2 Subscribers of newly issued ordinary shares and the warrant of this occasion will be entitled to receive dividends from the Company's business operations starting from the date of which such allotted persons or subscriber has been registered as a shareholder of the Company

7.3 Others -None-

8. **Other details necessary for shareholders to approve the capital increase/share allocation**

The impacts from the issuance and the allocation of newly issued ordinary shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering) and to accommodate for the exercise of WAVE-W3 are as follows:

8.1. **Control Dilution**

**Scenario 1: Issuance and offering of newly issued ordinary shares to the existing shareholders proportionate to their respective shareholding (Rights Offering)**

The Company's sold shares are 785,261,701 shares. If all existing shareholders subscribe the newly issued ordinary shares proportionate to their respective shareholding (Rights Offering), there will be no impact of the control dilution.

But in the event that the existing shareholders do not subscribe the newly issued ordinary share proportionate to their respective shareholding and the other existing shareholders oversubscribe, the shareholding of the existing shareholders will be decreased to the maximum of 90.91%\*.

\*Calculated from the number of shares reserved and offered in this occasion of 7,852,617,010 shares divided with the sum of (i) the number of the Company's sold shares as of 5 August 2022 of 785,261,701 shares and (ii) the number of shares reserved of 7,852,617,010 shares.

$$\begin{aligned} \text{Control Dilution} &= \frac{\text{the number of shares reserved and offered in this occasion}}{\text{the number of the Company's paid-up shares + the number of shares reserved and offered in this occasion}} \\ &= \frac{7,852,617,010}{785,261,701 + 7,852,617,010} \\ &= 90.91\% \end{aligned}$$

**Scenario 2: Issuance and offering of newly issued ordinary shares to existing shareholders proportionate to their respective shareholding (Rights Offering) and to accommodate the exercise of WAVE-W3**

The Company's sold shares are 785,261,701 shares. If all existing shareholders subscribe the newly issued ordinary shares proportionate to their respective shareholding (Rights Offering) and exercises the conversion right of WAVE-W3, there will be no impact of the control dilution.

But in the event that the existing shareholders does not subscribe the newly issued ordinary shares proportionate to their respective shareholding and the other existing shareholders oversubscribe and/or in the event that the shareholders allocated with WAVE-W3 do not exercise all WAVE-W3 and other shareholders or persons who are not the existing shareholders have exercised all conversion right, the shareholding of the existing shareholders will be decreased to the maximum of 93.02%\*.

\*Calculated from the number of shares reserved and offered of 10,470,156,013 shares (7,852,617,010 shares + 2,617,539,003 shares) divided with the sum of (i) the number of the Company's sold shares as of 5 August 2022 of 785,261,701 shares, (ii) the number of shares offered to existing shareholders proportionate to their respective shareholding of 7,852,617,010 shares and (iii) the number of shares for accommodating the exercise of WAVE-W3 of 2,617,539,003 shares

$$\begin{aligned} \text{Control Dilution} &= \frac{\text{the number of shares reserved and offered in this occasion}}{\text{the number of the Company's paid-up shares + the number of shares reserved and offered}} \\ &= \frac{(7,852,617,010 + 2,617,539,003)}{785,261,701 + (7,852,617,010 + 2,617,539,003)} \\ &= 93.02\% \end{aligned}$$

**8.2. Price Dilution**

Under the issuance and offering of newly issued ordinary shares to existing shareholders proportionate to their respective shareholding (Rights Offering) in this occasion, the subscription price is Baht 0.10 per share. Under the issuance and offering of WAVE-W3, the exercise price of WAVE-W3 is Baht 0.15 per share. In this regard, both prices are below the market price prior to the offering, which is Baht 0.63 per share. The market price shall be the weighted average price of the ordinary shares of the Company trading in the Stock Exchange of Thailand of 7 consecutive business days between 25 July 2022 to 4 August 2022 prior to the date where the Board of Directors has approved to propose the agendas in regard of the issuance and offering of the warrant to the shareholders' meeting (during 7, 10 – 12, and 17 October 2022) (Information from SETSMART at [www.setsmart.com](http://www.setsmart.com)).

**Scenario 1: Issuance and offering of newly issued shares to existing shareholders proportionate to their respective shareholding (Rights Offering)**

The Company's sold shares are 785,261,701 shares. If all existing shareholders subscribe the newly issued shares proportionate to their respective shareholding (Rights Offering), the price dilution of the shall be 76.19%.

$$\begin{aligned}
\text{Market price after dilution} &= \frac{(\text{the number of paid-up shares} \times \text{market price}) + (\text{the number of shares reserved and offered in this occasion} \times \text{offering price})}{\text{The number of paid-up shares} + \text{the number of shares reserved and offered in this occasion}} \\
&= \frac{(785,261,701 \times 0.63) + (7,852,617,010 \times 0.10)}{785,261,701 + 7,852,617,010} \\
&= 0.15
\end{aligned}$$

$$\begin{aligned}
\text{Price Dilution} &= \frac{\text{Market price} - \text{Market price after dilution}}{\text{Market price}} \\
&= \frac{0.63 - 0.15}{0.63} \\
&= 76.19\%
\end{aligned}$$

**Scenario 2: Issuance and offering of newly issued ordinary shares to existing shareholders proportionate to their respective shareholding (Rights Offering) and to accommodate the exercise of WAVE-W3**

The Company's sold shares are 785,261,701 shares. If all existing shareholders subscribe the newly issued shares proportionate to their respective shareholding (Rights Offering) and the exercises of WAVE-W3 are done by all existing shareholders, the price dilution of the shall be 76.19%.

$$\begin{aligned}
\text{Market price after dilution} &= \frac{(\text{the number of paid-up shares} \times \text{market price}) + (\text{the number of shares reserved and offered} \times \text{offering price})}{\text{The number of paid-up shares} + \text{the number of shares reserved and offered}} \\
&= \frac{(785,261,701 \times 0.63) + (7,852,617,010 \times 0.10) + (2,617,539,003 \times 0.15)}{785,261,701 + 7,852,617,010 + 2,617,539,003} \\
&= 0.15
\end{aligned}$$

$$\begin{aligned}
 \text{Price Dilution} &= \frac{\text{Market price} - \text{Market price after dilution}}{\text{Market price}} \\
 &= \frac{0.63 - 0.15}{0.63} \\
 &= 76.19\%
 \end{aligned}$$

### 8.3. *Earnings Per Share Dilution*

Since the Company incurred net loss, its earnings per share dilution is not calculated.

### 9. **Schedule of action if the Board of Directors passes a resolution approving the capital increase or allocation of new shares:**

No.	Procedures of the capital increase	Date/Month/Year
1	To hold the Board of Directors' meeting No. 3/2022 to consider and approve the capital increase and allocation of newly issued ordinary shares	5 August 2022
2	The date for determine of the list of shareholders who will be entitled to attend the Extraordinary General Meeting of shareholders No. 1/2022 (Record Date)	19 August 2022
3	The Extraordinary General Meeting of shareholders No. 1/2022	13 September 2022
4	To register the reduction and increase of its registered capital and the amendment of the Company's Memorandum of Association with the Department of Business Development, the Ministry of Commerce to be in accordance with the reduction and increase of its registered capital	Within 14 days from the date of approval from the shareholders' meeting
5	The date for determination of the list of shareholders who will be entitled to subscribe newly issued ordinary shares together with WAVE-W3 (Record Date)	21 September 2022
6	Subscription period of newly issued ordinary shares	7, 10 – 12, and 17 October 2022 (totalling 5 business days)
8	To register the increase of the Company's paid-up capital with the Department of Business Development, the Ministry of Commerce	Within 14 days from the completion of allocation of newly issued ordinary shares

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

Yours sincerely,

- Mr. Matthew Kichodhan –

Mr. Matthew Kichodhan

Chairman and CEO

Wave Entertainment Public Company Limited

**Information memorandum regarding the issuance and offering of newly issued ordinary shares to existing shareholders proportionate to their respective shareholdings (Rights Offering) of Wave Entertainment Public Company Limited**

Reference is made to the Board of Directors' Meeting No. 2/2022 of Wave Entertainment Public Company Limited (the "**Company**") held on 5 August 2022 approving and proposing the shareholder's meeting to approve the reduction of the Company's registered capital from the existing registered capital in the amount of Baht 707,536,887.50 to Baht 471,958,377.50 by cancelling the unsold shares in the amount of 471,157,020 shares at par value each of Baht 0.50 and proposing the shareholder's meeting to approve the increase of the Company's registered capital in the amount of not exceeding Baht 5,934,068,140.50 from the registered capital of Baht 471,958,377.50 to Baht 6,406,026,518 by issuing newly issued ordinary shares in the amount of not exceeding 11,868,136,281 shares at a par value each of Baht 0.50 for (i) the allocation of newly issued ordinary shares in the amount of not exceeding 7,852,617,010 shares at a par value each of Baht 0.50 to the existing shareholders proportionate to their respective shareholdings (Rights Offering) at the allocation ratio of 1 - 1.25 existing shares to 1 newly issued ordinary shares with offering price of Baht 0.10 per share (ii) to accommodate the exercise of warrants to purchase ordinary shares of the Company No.3 (WAVE-W3) ("**WAVE-W3**") for existing shareholders who have subscribed and already paid for the newly issued ordinary shares of the Company allocated to the existing shareholders proportionate to their respective shareholding (Rights Offering) in the amount of not exceeding 2,617,539,003 shares without consideration at the ratio of 3 newly issued shares to 1 warrant with the exercise price of Baht 0.15 per share and (iii) to accommodate the right adjustment of warrants to purchase ordinary shares of the Company No. 2 (WAVE-W2) ("**WAVE-W2**") in the amount not exceeding 1,397,980,268 shares at a par value of each of Baht 0.50.

This matter shall be further proposed for consideration by the Extraordinary General Meeting of Shareholders No. 1/2022 on 13 September 2022.

**1. Details of the issuance and offer**

The Company will allocate the newly issued ordinary shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering) and to accommodate for the exercise of WAVE-W3 and to accommodate the right adjustment of WAVE-W2 as follows:

- 1.1 The Company will allocate newly issued ordinary shares of the Company in the amount of not exceeding 7,852,617,010 shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering) at the subscription price of Baht 0.10 per a share. However, the allocation ratio of the newly issued shares proportionate to their respective shareholdings (Rights Offering) is uncertain and depending on the result of the exercise of WAVE-W2 on 15 September 2022. However, the allocation ratio is in the range of 1 – 1.25 existing ordinary shares: 10 newly issued ordinary share by which is calculated for 2 cases, i.e., (i) all WAVE-W2 holders have not exercised the right to convert this time (Allocation Ratio: 1) and (ii) all WAVE-W2 holders exercise the entire amount of WAVE-W2 conversion on the above-mentioned exercise date (Allocation Ratio: 1.25). The Board of Directors and/or the authorized directors and/or any person designated by the Board of Directors or the authorized directors will determine the final allocation ratio after knowing the exact result of the WAVE-W2 conversion right (Fractions derived from the calculation will be rounded down.). The subscription date for the newly issued ordinary shares of the Company

shall be 7, 10 – 12, and 17 October 2022 (totaling 5 business days). The date to determine shareholders who are entitled to the allocation and offering of the newly issued ordinary shares proportionate to their respective shareholding together with WAVE-W3 (Record Date) shall be 21 September 2022

If there are newly issued ordinary shares remaining after the first allocation to the existing shareholders proportionate to their respective shareholdings, the Company shall allocate the remaining shares to the shareholders who have oversubscribed at the offering price of Baht 0.10 per share (the same offering price). In the allocation of such newly issued ordinary shares, the Company shall again allocate the remaining shares to shareholders until there is no share remaining or until there is no shareholder expresses their intention to subscribe the newly issued ordinary shares or it cannot be allocated due to the fractions of shares, subject to the following conditions:

- (a) In the case that the number of shares remaining from the first allocation to the existing shareholders proportionate to their respective shareholdings (Rights Offering) is higher than or equal to the number of shares that the existing shareholders has oversubscribed, the Company shall allocate such remaining shares to all shareholders who have oversubscribed and already paid for such shares.
- (b) In the case that the number of shares remaining from the first allocation to the Company's existing shareholders according to their rights offering is less than the number of shares that existing shareholders have oversubscribed, the remaining shares shall be allocated to the shareholders who oversubscribe by following procedures:
  - (b.1) the remaining shares shall be allocated according to the rights offering of each shareholder who oversubscribes by taking the rights offering of each oversubscribing existing shareholder multiplied by the number of remaining shares, resulted in the number of excess rights shares for each shareholder (Fractions derived from the calculation will be rounded down.). The number of allocated shares shall not exceed the number of subscribed and paid shares of each shareholder.
  - (b.2) In the case that there are some remaining shares from the allocation in (b.1), they shall be allocated to each oversubscribing shareholder who has not yet received complete allocated shares by following the (b.1) procedure until there is no remaining share. The number of allocated shares shall not exceed the number of subscribed and paid shares of each shareholder.

In addition, shareholding percentage of each shareholder in the Company following the issuance and allocation of newly issued ordinary shares in any case must not make any shareholder hold the shares of the Company by which will be required to make a tender offer for securities according to the Notification of the Capital Market Supervisory Board TorJor. 12/2554, re: Rules, Conditions and Procedures for Acquisition of Securities for Business Takeovers or violates the restrictions on foreign shareholding as specified in the Company's Articles of Association.

However, the subscription price of the newly issued ordinary shares on this occasion is lower than par value of shares of the Company of Baht 0.50. In this regard, the Company is entitled to issue and offer the newly issued ordinary shares at the price less than the par value of the Company's shares as the Company has an accumulate loss as appeared in the latest separate financial statements as of 31 March 2022 in the amount of Baht 869.82 million, provided that the Company shall obtain the approval from the shareholders' meeting, pursuant to Section 52 of the Public Company Limited Act B.E. 2535 (as amended).

The Board of Directors and/or the authorized directors and/or any person designated by the Board of Directors or the authorized directors shall have the authority to consider and perform any act

relating to, necessary for and/or in connection with the increase of registered capital and the allocation of the newly issued ordinary shares of the Company, including but not limited to:

- (a) determining conditions and details relating to the allocation of newly issued ordinary shares and other details relating to the allocation of the newly issued ordinary shares;
- (b) determining or changing the details of the allocation, such as whether the newly issued ordinary shares shall be allocated in whole for offering at one time, or in portions for offering in lots from time to time, allocation ratio, the date to determine shareholders who are entitled to the allocation and offering of the newly issued ordinary shares proportionate to their respective shareholding together with WAVE-W3 (Record Date), subscription date, subscription and payment period, subscription price, payment method or any other details with respect to the allocation and the offer for sale;
- (c) signing the application form, request for waiver, notification, or any other documents related to the increase of registered capital and the allocation of new ordinary shares, including certifying any relevant documents, contact with and/or receiving documents from any officer or representative of any relevant organization, listing of such newly issued ordinary shares on the Stock Exchange of Thailand (“**SET**”);
- (d) registering with Department of Business Development, Ministry of Commerce, and having power to undertake any necessary actions in compliance with the order of the registrar in order to duly complete the registration;
- (e) performing any other related and necessary act in connection with the increase of registered capital and allocation of newly issued ordinary shares to be in compliance with the relevant laws and/or regulations;
- (f) appointing and designating other appropriate persons to be the substitute attorney in fact to perform the foregoing acts

In the case there are remaining unallocated newly issued ordinary shares after the allocation in respect of the rights offering in accordance with the abovementioned details, such remaining unallocated newly issued ordinary shares from such allocation, either in whole or in part, shall be issued and offered to specific persons (Private Placement), including institutional investors and/or specified investors pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Approval for Listed Companies to Offer Newly Issued Shares through Private Placement (as amended) (the “**TorJor. 72/2558 Notification**”) (the “**Private Placement**”) whereas the persons to whom the newly issued ordinary shares under the Private Placement will be allocated must be investors who are not the connected persons of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 and its amendments, and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected transaction B.E. 2546 dated 19 November 2003 and its amendments.

The Board of Directors and/or the authorized directors as designated by the Board of Directors shall be authorized to determine the offering price of the newly issued ordinary shares in respect of the Private Placement (the “**PP Offering Price**”) which shall be the best price subjected to the market condition at the time of offering with a possible discount of not exceeding 10 percent of the market price pursuant to TorJor. 72/2558 Notification calculated based on the weighted average price of the Company’s shares traded on the SET for not less than 7 consecutive business days, but not exceeding 15 consecutive business days, prior to the date of PP Offering Price prescription (the “**Best Price per Market Condition**”). However, such offering price shall not be less than the offering price of shares allocated to the existing shareholder proportionate to their shareholdings at Baht 0.10 per share. In this regard, in case the Best Price per Market Condition is less than the par value of the Company’s share, the Company may issue and offered shares with the PP Offering



Price being less than the par value of the Company's share but not less than Baht 0.10 per share if, at the date which PP Offering Price is prescribed by the Board of Directors and/or the authorized directors as designated by the Board of Directors, the Company has an accumulated loss as appeared in the latest separate financial statements which was reviewed by the auditor. The Company is required to complete the offering of the newly issued ordinary shares in the Private Placement within 12 months from the date on which the meeting of shareholders resolves to approve such offering.

In addition, shareholding percentage of each investor in the Company following the issuance and offering of newly issued ordinary shares in any case must not make any investor hold the shares of the Company by which will be required to make a tender offer for securities according to the Notification of the Capital Market Supervisory Board TorJor. 12/2554, re: Rules, Conditions and Procedures for Acquisition of Securities for Business Takeovers or violates the restrictions on foreign shareholding as specified in the Company's Articles of Association.

The Board of Directors and/or the authorized directors as designated by the Board of Directors shall have the authority to consider and perform any act relating to, necessary for and/or in connection with the allocation of the newly issued ordinary shares of the Company, including but not limited to:

- (a) determining any conditions and details in relation to the Private Placement, including, but not limited to:
  - a. the number of newly issued ordinary shares to be allocated and the method of allocation of shares under the Private Placement;
  - b. the allocation of newly issued ordinary shares under the Private Placement in whole for offering at one time, or in portions for offering in lots from time to time whereby a change of paid-up capital can be registered for each lot of offering according to share payment by allocated persons in each lot;
  - c. persons to be allocated with the newly issued ordinary shares under the Private Placement;
  - d. the PP Offering Price and the calculation of the PP Offering Price;
  - e. the offering period of the Private Placement and share payment under the Private Placement; and
  - f. any other conditions and details of the Private Placement
- (b) negotiating, agreeing, entering into, amending, adding and signing agreement, application form, request for waiver, notification, instrument or any other documents related to the increase of registered capital and the allocation of newly issued ordinary shares, including certifying any relevant documents, contact with and/or receiving documents from any officer or representative of any relevant organization, including the Office of the Securities and Exchange Commission (“SEC Office”) and listing of such newly issued ordinary shares on the SET;
- (c) registering with the Department of Business Development, Ministry of Commerce and have power to undertake any necessary actions in compliance with the order of the registrar in order to duly complete the registration;
- (d) performing any other related and necessary act in connection with the increase of registered capital and allocation of newly issued ordinary shares;

- (e) appointing and designating other appropriate persons to be the substitute attorney in fact to perform the foregoing acts.

The additional details are as appeared in the Capital Increase Report Form (F 53-4) (**Enclosure 1**)

However, the issuance and the offering of the newly issued ordinary shares will be conditional upon the approval of the Extraordinary General Meeting of Shareholders No. 1/2022.

- 1.2 The Company will allocate newly issued ordinary shares of the Company in the amount of not exceeding 2,617,539,003 shares at a par value each of Baht 0.50 per a share to accommodate for the exercise of WAVE-W3 which will be allocated to the existing shareholders who subscribe and pay the newly issued shares proportionate to their respective shareholdings (Rights Offering) at the ratio of 3 newly issued ordinary shares to 1 unit of WAVE-W3 without consideration (the offering price of Baht 0 per unit). The exercise ratio of 1 unit of WAVE-W3 is 1 ordinary share with a par value each of Baht 0.50 at the exercise price of Baht 0.15 per share. The details are as appeared in the Summary of Preliminary Information of the Warrants to purchase ordinary shares of Wave Entertainment Public Company Limited No. 3 (**Enclosure 3**).

The exercise price of WAVE-W3 is lower than par value of shares of the Company of Baht 0.50. In this regard, the Company is entitled to prescribe the exercise price of WAVE-W3 being less than the par value of the Company' shares as the Company has an accumulated loss as appeared in the latest separate financial statements as of 31 March 2022 in the amount of Baht 869.82 million, provided that the Company obtain the approval from the shareholders' meeting, pursuant to Section 52 of the Public Company Limited Act B.E. 2535 (as amended).

In order to provide the appropriate terms and conditions of WAVE-W3 in accordance with the capital market and money market conditions and for the benefits of the Company and the shareholders, the Board of Directors and/or the authorized directors and/or any person designated by the Board of Directors or the authorized directors to have the authority to consider and perform any act relating to, necessary for and/or in connection with issuance and allocation of WAVE-W3 to be in compliance with the law, including but not limited to:

- (a) determining conditions and other details relating to the issuance and allocation of WAVE-W3;
- (b) negotiating, agreeing, entering into, amending, adding, signing agreements, applications form, request for waiver, evidence, disclosure, report on the offering for sale, and any documents necessary for and in connection with the issuance and allocation of WAVE-W3, as well as contact, filing, amendment, adding and signing of the applications for permission, waiver, evidence, disclosure, report on the offering for sale, and various documents with the SEC Office, SET, governmental agencies or relevant authorities in relation to the issuance and allocation of WAVE-W3 and the listing of WAVE-W3 and the newly issued ordinary shares from the exercise of WAVE-W3 on the SET;
- (c) performing any other related act as necessary and appropriate in connection with the issuance and allocation of WAVE-W3 to duly complete the foregoing act and the issuance and allocation of WAVE-W3 on this occasion.

However, the rights to the allocation of WAVE-W3 will be conditional upon the approval of the Extraordinary General Meeting of Shareholders No. 1/2022. The conditions and the details of WAVE-W3 are as appeared in the Summary of Preliminary Information of the Warrants to purchase ordinary shares of Wave Entertainment Public Company Limited No. 3 (**Enclosure 3**).

- 1.3 The Company will allocate newly issued ordinary shares of the Company in the number of not exceeding 1,397,980,268 shares at a par value each of Baht 0.50 per a share to accommodate the right adjustment for WAVE-W2 as a result of (i) the allocation of newly issued shares to the existing shareholders proportionate to their respective shareholding (Rights Offering) at the offering price less than 90 percent of the market price and (ii) the issuance and allocation of WAVE-W3 at the exercise price less than 90 percent of the market price in line with the right adjustment and exercise ratio in accordance with the Terms and Conditions Governing Rights and Obligations of the Issuers and Holders of the Warrants to Purchase Newly-Issued Ordinary Shares No. 2 of Wave Entertainment Public Company Limited (WAVE-W2).

However, the Company will be able to calculate the exercise price, exercise ratio, and the number of newly issued shares to accommodate the right adjustment of WAVE-W2 based on the market price of the ordinary shares which is equivalent to the weighted average market price of the ordinary shares of the Company traded on the SET for 7 executive business days before the first date that the WAVE-W2 holders are not entitled to the right to subscribe for the newly issued ordinary shares (the first day that the SET posts the XR sign). The calculation of exercise price, exercise ratio, and the number of newly issued shares to accommodate the right adjustment of WAVE-W2 as of the date of this Board of Directors' meeting is only the preliminary calculation by referencing to the highest market price of the Company during the past one year.

## 2. Objectives of the capital increase and fund utilization plan

Due to the uncertainty of the domestic and foreign economic situation and various negative factors such as the virus pandemic situation as well as the air pollution situation etc., causing domestic consumption to decrease and affecting revenues and cash flow of the Company. Therefore, it is necessary to increase capital and issue WAVE-W3 to expand its business and investment in new project in relation to the sustainability of business development by taking into account the environmental, social, and governance (Environmental, Social, and Governance : ESG), including partial repayment of outstanding loans to financial institutions and working capital of the Company and its subsidiaries as well as the solutions for C sign alert (: shareholders' equity less than 50% of paid-up capital). The Board of Directors views that the proceeds from such capital increase and issuance of WAVE-W3 will increase liquidity and operating cash flow of the Company and will be sufficient for the repayment of loans of the Company as they become due, including the business expansion and/or investment in new projects, the details of which are as follows:

Objectives	Proceeds (Million Baht)	Timeline
1. Business expansion and/or investment in new project	900	Within 2022 - 2023
2. Working capital	100	-
3. Repayment of loan due and payable to financial institutions	200	Due date of repayment term
<b>Total</b>	1,200	

After the issuance and offering of newly issued ordinary shares and partial loan repayment to financial institution, the Company's debt to equity ratio will decrease from 1.66 times to 0 times (calculated based on the Company's statement of financial position as of 31 March 2022).

### 3. Impact of issuance and offering of newly issued shares on shareholders

The impact of issuance and offering of newly issued shares to existing shareholders proportionate to their respective shareholding (Rights Offering) and issuance of the ordinary shares to reserve for the exercise of WAVE-W3 are as follows:

#### 3.1 Control Dilution

##### **Scenario 1: Issuance and offering of newly issued ordinary shares to the existing shareholders proportionate to their respective shareholding (Rights Offering)**

The Company's sold shares are 785,261,701 shares. If all existing shareholders subscribe the newly issued ordinary shares proportionate to their respective shareholding (Rights Offering), there will be no impact of the control dilution.

But in the event that the existing shareholders do not subscribe the newly issued ordinary share proportionate to their respective shareholding and the other existing shareholders oversubscribe, the shareholding of the existing shareholders will be decreased to the maximum of 90.91%\*.

\*Calculated from the number of shares reserved and offered in this occasion of 7,852,617,010 shares divided with the sum of (i) the number of the Company's sold shares as of 5 August 2022 of 785,261,701 shares and (ii) the number of shares reserved of 7,852,617,010 shares.

$$\begin{aligned} \text{Control Dilution} &= \frac{\text{the number of shares reserved and offered in this occasion}}{\text{the number of the Company's paid-up shares + the number of shares reserved and offered in this occasion}} \\ &= \frac{7,852,617,010}{785,261,701 + 7,852,617,010} \\ &= 90.91\% \end{aligned}$$

##### **Scenario 2: Issuance and offering of newly issued ordinary shares to existing shareholders proportionate to their respective shareholding (Rights Offering) and to accommodate the exercise of WAVE-W3**

The Company's sold shares are 785,261,701 shares. If all existing shareholders subscribe the newly issued ordinary shares proportionate to their respective shareholding (Rights Offering) and exercises the conversion right of WAVE-W3, there will be no impact of the control dilution.

But in the event that the existing shareholders does not subscribe the newly issued ordinary shares proportionate to their respective shareholding and the other existing shareholders oversubscribe and/or in the event that the shareholders allocated with WAVE-W3 do not exercise all WAVE-W3 and other shareholders or persons who are not the existing shareholders have exercised all conversion right, the shareholding of the existing shareholders will be decreased to the maximum of 93.02%\*.

\*Calculated from the number of shares reserved and offered of 10,470,156,013 shares (7,852,617,010 shares + 2,617,539,003 shares) divided with the sum of (i) the number of the Company's sold shares as of 5 August 2022 of 785,261,701 shares, (ii) the number of shares offered to existing shareholders proportionate to their respective shareholding of 7,852,617,010 shares and (iii) the number of shares for accommodating the exercise of WAVE-W3 of 2,617,539,003 shares

$$\begin{aligned}
\text{Control Dilution} &= \frac{\text{the number of shares reserved and offered in this occasion}}{\text{the number of the Company's paid-up shares + the number of shares reserved and offered}} \\
&= \frac{(7,852,617,010 + 2,617,539,003)}{785,261,701 + (7,852,617,010 + 2,617,539,003)} \\
&= 93.02\%
\end{aligned}$$

### 3.2 Price Dilution

Under the issuance and offering of newly issued ordinary shares to existing shareholders proportionate to their respective shareholding (Rights Offering) in this occasion, the subscription price is Baht 0.10 per share. Under the issuance and offering of WAVE-W3, the exercise price of WAVE-W3 is Baht 0.15 per share. In this regard, both prices are below the market price prior to the offering, which is Baht 0.63 per share. The market price shall be the weighted average price of the ordinary shares of the Company trading in the Stock Exchange of Thailand of 7 consecutive business days between 25 July 2022 to 4 August 2022 prior to the date where the Board of Directors has approved to propose the agendas in regard of the issuance and offering of the warrant to the shareholders' meeting (during 7, 10 – 12, and 17 October 2022) (Information from SETSMART at [www.setsmart.com](http://www.setsmart.com)).

#### Scenario 1: Issuance and offering of newly issued shares to existing shareholders proportionate to their respective shareholding (Rights Offering)

The Company's sold shares are 785,261,701 shares. If all existing shareholders subscribe the newly issued shares proportionate to their respective shareholding (Rights Offering), the price dilution of the shall be 76.19%.

$$\begin{aligned}
\text{Market price after dilution} &= \frac{(\text{the number of paid-up shares x market price}) + (\text{the number of shares reserved and offered in this occasion x offering price})}{\text{The number of paid-up shares + the number of shares reserved and offered in this occasion}} \\
&= \frac{(785,261,701 \times 0.63) + (7,852,617,010 \times 0.10)}{785,261,701 + 7,852,617,010} \\
&= 0.15
\end{aligned}$$

$$\begin{aligned}
\text{Price Dilution} &= \frac{\text{Market price} - \text{Market price after dilution}}{\text{Market price}} \\
&= \frac{0.63 - 0.15}{0.63} \\
&= 76.19\%
\end{aligned}$$

**Scenario 2: Issuance and offering of newly issued ordinary shares to existing shareholders proportionate to their respective shareholding (Rights Offering) and to accommodate the exercise of WAVE-W3**

The Company's sold shares are 785,261,701 shares. If all existing shareholders subscribe the newly issued shares proportionate to their respective shareholding (Rights Offering) and the exercises of WAVE-W3 are done by all existing shareholders, the price dilution of the shall be 76.19%.

$$\begin{aligned}
 \text{Market price after dilution} &= \frac{(\text{the number of paid-up shares} \times \text{market price}) + (\text{the number of shares reserved and offered} \times \text{offering price})}{\text{The number of paid-up shares} + \text{the number of shares reserved and offered}} \\
 &= \frac{(785,261,701 \times 0.63) + (7,852,617,010 \times 0.10) + (2,617,539,003 \times 0.15)}{785,261,701 + 7,852,617,010 + 2,617,539,003} \\
 &= 0.15
 \end{aligned}$$

$$\begin{aligned}
 \text{Price Dilution} &= \frac{\text{Market price} - \text{Market price after dilution}}{\text{Market price}} \\
 &= \frac{0.63 - 0.15}{0.63} \\
 &= 76.19\%
 \end{aligned}$$

**3.3 Earnings Per Share Dilution**

Since the Company incurred net loss, its earnings per share dilution is not calculated.

**4. Opinion of the Board of Directors**

**4.1 Reasons and necessity of capital increase**

The capital increase and offering of newly issued shares to the existing shareholders are reasonable, appropriate and for the best interest of the Company. The capital increase is in line with the investment plan and able to enhance the Company's financial stability which help reducing the financial cost of its operation in the future. In addition, the Company will receive higher revolving capital which will gradually improve the financial liquidity, ability to compete, and the business development of the Company which could enable the Company to grow with sustainability. The Board of Directors views that it will ultimately result in potential returns to the Company and the shareholders in the future.

#### **4.2 Utilization of proceeds plan its potentiality**

The Company shall utilize the proceeds from the issuing and offering of newly issued ordinary shares under capital increase and issuance of warrants to expand its business and invest in new projects in relation to the sustainability of business development by taking into account the environmental, social, and governance (Environmental, Social, and Governance : ESG), the solutions for C sign alert (: shareholders' equity less than 50% of paid-up capital). including for partial repayment of loan to financial institutions and as working capital for operations of the Company and its subsidiaries.

#### **4.3 Reasonableness of capital increase, use of proceeds from the offering of new ordinary shares, new projects, and sufficiency of source of fund**

The Board of Directors is of the opinion that the capital increase and allocation of newly issued shares will reduce liabilities from financial institution, including interest and other related expenses, resulting in financial stability, business expansion and/or investment in new projects, solutions for C sign alert (: Shareholders' equity less than 50% of paid-up capital), and readiness in development of the Company's business This will enable the Company to grow its business effectively. The Company expects that the proceeds received from capital increase, when combined with credit line and current revolving capital, will be sufficient for operating the Company's business according to its business plan.

#### **4.4 Expected impact on the Company's business, financial positions, and operating results arising from capital increase and utilization of proceeds**

The Board of Directors is of the opinion that the capital increase and allocation of newly issued ordinary shares will enhance the Company's financial stability. The Company will decrease its finance costs in the future, which will increase potential of the Company's business operation by expanding the business operation and/or the investment in new projects. Moreover, this will enable the Company to compete with its competitors effectively, creating growth in the Company's operating performance in the future. Such capital increase will also reduce the Company's debt to equity ratio.

#### **5. Certification regarding the capital increase by the Company's board of directors**

In case that any director fails to perform his/her duties with integrity or fails to exercise duty of care for the utmost benefits of the Company with regards to the capital increase and such failure causes damages to the Company, shareholders may, on behalf of the Company, claim for damages from such director pursuant to Section 85 of the Public Company Act B.E. 2535 and its amendments. If such failure to perform his/her duties results in the director or any related person gaining unlawful benefit, shareholders holding in total of no less than 5 percent of the total issued shares may, on behalf of the Company, exercise their rights to reclaim respective benefits from such director in pursuant to Section 89/18 of the Securities Exchange Act B.E. 2535 and its amendments.

**6. Opinion of audit committee regarding the capital increase and allocation of newly issued shares to specific investor**

The Audit Committee's opinion is not different from the opinion of the Board of Directors' Meeting No. 3/2022 held on 5 August 2022.

Yours sincerely,  
- *Mr. Matthew Kichodhan* –  
Mr. Matthew Kichodhan  
Chairman and CEO