

Checklist: Capital increase

Information Disclosure

Checked (✓)

1. The date of the board of directors approves the capital increase and allocation of additional shares

2. Details

The company increases the registered capital from million Baht to million Baht with the paid-up capital after capital increase totaling shares, the par value of Baht per share, by issuing ordinary shares or preferred shares as follows:

| Item | Type of stock | No. of capital increase shares | Par value (Baht/share) | Value of capital increase (million Baht) |
|---|------------------------------------|--------------------------------|------------------------|--|
| <input type="checkbox"/> Specifying the purpose of utilizing proceeds | Ordinary shares / Preferred shares | ... | ... | ... |
| <input type="checkbox"/> General mandate | Ordinary shares / Preferred shares | ... | ... | ... |

3. Capital increase with specifying the purpose of utilizing proceeds

3.1 Allocation

| Allotment | Type of securities | Ordinary shares | Preferred shares | Newly-issued securities |
|--|--|--------------------------|---|-------------------------|
| | 1. Right Offering (RO) proportionately to their shareholding | | Amount, selling price and allotted ratio (old shares: new securities) | |
| 2. Private Placement (PP) specifying investors | | Amount and selling price | | |
| 3. Public Offering (PO) | | Amount and selling price | | |
| 4. To support the conversion/exercising rights of a given instrument (specify) | | Number of shares | | |
| 5. To support the adjustment of rights for securities conversion (specify) | | Number of shares | | |
| 6. To support the dividend payment | | Number of shares | | |

• **Allocating the capital increase shares via RO**

Record date - or the book closing date to entitle the rights to shareholders to subscribe additional shares - should be held *after the shareholders' meeting for at least five business days. If RO date has to be held on the same date of the right to attend the shareholders' meeting, please state the warning that "Such right entitlement is still uncertain, pending an approval from the shareholders' meeting.*

Information about the allotment of shares for capital increase

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| | |
|--|--|
| <ul style="list-style-type: none"> ▪ In case of fractional shares, please explain how to proceed with fractional shares (<i>i.e., how much will be rounded up or rounded down to the nearest whole number</i>). | |
| <ul style="list-style-type: none"> ▪ If the shares are undersubscribed, explain how to allocate the remaining shares. | |
| <ul style="list-style-type: none"> ▪ Explain whether investors can subscribe newly-issued securities more than their subscription right; and if such subscription increases the shareholding ratio to the extent that tender offer is required, subscribers will have to comply with relevant criteria. | |
| <ul style="list-style-type: none"> • Allotment of shares to private placement (PP) | |
| <ul style="list-style-type: none"> □ Information about PP is as follows: | |
| <ul style="list-style-type: none"> ▪ Name, address, occupation and work experience For a juristic entity, state date of inception, paid-up capital, the manner of its business operation, the board of directors and the juristic person's major shareholders and their shareholding proportion | |
| <ul style="list-style-type: none"> ▪ Relationship with listed company or directors, management or major shareholders | |
| <ul style="list-style-type: none"> ▪ Method of shares offering and allocation (<i>i.e., all securities will be allocated at the same time or they will gradually be allocated</i>). | |
| <ul style="list-style-type: none"> ▪ Important conditions or agreements (<i>if any</i>) (<i>i.e., holding period, silent period and business assistance</i>) | |
| <ul style="list-style-type: none"> ▪ Describe their role as management or directors or their role in changing business operations. | |
| <ul style="list-style-type: none"> ▪ If it is required to launch a tender offer, disclose price and period to proceed in accordance with tender offer criteria. | |
| <ul style="list-style-type: none"> □ If offering shares at lower than the market price, reveal the discount value vs, the market price and explain the shareholders' right in opposing the discount on the offering price. | |
| <ul style="list-style-type: none"> □ Summarize the company's shareholder structure before and after the capital increase by, perhaps, using the shareholders' list on the latest registration book and make an update with the newly-allocated shares. | |
| <ul style="list-style-type: none"> • For allocation via PO, explain the criteria about offering price and the date to inform the offering price | |
| <ul style="list-style-type: none"> • Allocation to support the adjustment of rights and exercise of rights in convertible securities | |
| <ul style="list-style-type: none"> □ Number of entitled shares and entitled shares for securities conversion shall not exceed 50% of the paid-up capital as of the date the company's board of directors approves the capital increase. | |
| <ul style="list-style-type: none"> □ Disclose important information of the newly-issued convertible securities (<i>such as lifespan of the securities, rate, price and conversion period</i>) | |
| <ul style="list-style-type: none"> • For dividend shares, disclose the number of shares to be paid (<i>no offering price</i>) | |
| <p>3.2 Pricing</p> | |
| <ul style="list-style-type: none"> • Describe which the market price is used for comparison by using the market price per the following three criteria prescribed by the SEC: | |

Information Disclosure

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- The Market Price: Weighted Average Price of the past 7-15 consecutive days, prior to the subscription date as stipulated by the SEC.
- Pricing based on the analysis of the demand or supply for newly-issued shares (such as book building price)
 - Fair price assessed by the financial advisor on the list approved by the SEC
- Explain criteria for setting selling price and discount versus the market price.

4. General mandate

- The allocation and amount of shares can be explained by the following table:

| Allocated to | Type of securities | No. of shares | Percentage of paid-up capital ^{1/} |
|---------------------|--------------------------------------|---------------|---|
| RO | Ordinary shares/preferred shares/TSR | ... | no more than 30% |
| PO | Ordinary shares/preferred shares | ... | no more than 20% |
| PP | Ordinary shares/preferred shares | ... | no more than 10% |
| Total ^{2/} | | ... | no more than 30% |

^{1/} Percentage of paid-up capital on the date that the company's board of directors resolve to increase under a general mandate.

^{2/} The total newly-issued shares allocated to ever type of investors shall not exceed 30% of paid-up capital as of the date the company's directors has the resolution to increase the capital.

- After the company's board of directors resolves to allocate shares per general mandate, it is required to disclose the related information per Item.3.1-3.2 and 5-9 together with Form 53-4-1.

5. Objectives of the capital increase and plan for utilizing proceeds received from the capital increase. (Specify the details of each objective, together with budget and funding plans)

- In the event that the funds are used for project operations
 - Disclose information of each project and amount of money expected to be utilized in each project and opportunity to generate income
 - Impacts on the listed company if project is not successfully executed, together with project risks.
 - Expected completion date or when it will generate income or start operations
- If the proceeds are intended to purchase assets, explain the nature of the assets.
 - Location, conditions, usable lifespan, asset obligations, valuation price, valuation date (independent appraiser approved by the SEC), the beginning and end of the lease period, etc.
 In case of securities: disclose the company's name, nature of business, paid-up capital, the board of directors, list of shareholders before and after the transaction (for juristic person, disclose its ultimate shareholder), summary of financial status and operational results of the company's consolidated financial statements for 3 years together with the cumulative sum for the current period. If such information is not available; provide separate financial statement (such as sales or service income, costs, sales and management expenses, profit (loss), total assets, total liabilities, retained profit (accumulated deficit), shareholders' equity and other important items)
- If the proceeds will be used for debt repayment, disclose the details of the source of debt, obligation, interest rate and the payment due date

| Information Disclosure | Checked (✓) |
|---|--------------------|
| 6. Impact on shareholders from securities offering | |
| Disclose the impact, i. e. , price dilution, control dilution, earnings per share dilution and cost efficiency when compared cost with such impacts. | |
| 7. Benefits of the company and shareholders will receive from the capital increase. | |
| 8. Opinions of the company's board of directors | |
| <ul style="list-style-type: none"> • Reasons, necessity and appropriateness of the capital increase | |
| <ul style="list-style-type: none"> • Feasibility of spending plans and sufficiency of source of funds | |
| <ul style="list-style-type: none"> • Impact on the company's business operation, financial status and operating performance | |
| <ul style="list-style-type: none"> • For PP share allocation, the company's board of directors shall provide <u>additional</u> opinions on the following: | |
| <ul style="list-style-type: none"> <ul style="list-style-type: none"> □ Background and appropriateness of the offering price including the reasons for choosing PP to sell newly-issued shares. | |
| <ul style="list-style-type: none"> <ul style="list-style-type: none"> □ If the offering price is low, provide opinions about cost efficiency by comparing the benefits from distributing shares through PP and the issue of newly-issued shares at discount price by considering the effect on expenses and financial status of the company based on share-based payments standards | |
| <ul style="list-style-type: none"> <ul style="list-style-type: none"> □ The statement from the company's board of directors certifying that they have examined the information and investment potential of PP and a statement informing the shareholders of their rights to claim for damages if the board of directors fails to comply with fiduciary duty. | |
| 9. The date to subscribe and pay for newly-issued shares <i>(For RO, the period for subscribing capital-increase shares should cover at least 5 business days and the documents should be sent at least 5 business days prior to the subscription date).</i> | |
| 10. The date to entitle shareholders to attend the shareholders' meeting (record date) <i>(the company must make a notification 14 days before the record date)</i> | |
| 11. Date, time and venue of the shareholders' meeting | |
| 12. Table to summarize the actions related to capital increase in chronological order | |
| 13. Form to report capital increase (Form F53-4) | |

Template to choose for reporting news to the SET

| Headline | Template |
|---|---|
| Capital-increase resolutions of the board of directors ... (identify RO / PO / PP)... and arranging the shareholders' meeting | <u>Choose</u> - Schedule of shareholders' meeting - Increasing capital > specifying the purpose of utilizing proceeds - Issued convertible securities (<i>capital increase for exercising security conversion right</i>) - Acquisition and disposition of assets (<i>capital increase for project investment or purchase of asset</i>) - Tender offer (<i>if investors are required to do tender offer for the capital-increase shares</i>) |
| The board of directors' resolutions to increase the company's capital under a general mandate and hold the shareholders meeting | <u>Choose</u> - Schedule of shareholders' meeting - Increasing capital > Issuance of additional shares under a general mandate |
| The board of directors' resolutions to allot the additional shares under a general mandate | Increasing capital > Allotment of additional shares under a general mandate |
| Resolutions of the shareholders' meeting..... | <u>Choose</u> Shareholder meeting's resolution Approve Choose > Accordingly approved with board's resolution Disapprove Choose > Change from the board's resolution (identify the agenda not in accordance with the board of directors' proposal) |
| Report the results of the newly-issue shares allocation | <u>Choose</u> The results of sale of shares |

Remarks: After the last payment date or from the allocation date, i. e., for the stock dividend allocation, report the results of securities allocation within 14 days and submit the application for acceptance of newly-issued shares in the smart listing system within 30 days.

Reference:

1. Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Rules and Conditions and Procedures Governing the Disclosure of Information in respect of Capital Increase of Listed Companies B.E. 2554.
2. Notification of the Stock Exchange of Thailand on the Events which a Listed Company is Required to Report in accordance with Section 57(6) B. E. 2560.
3. Bor Jor (Wor) 17/2558 Re: The stipulation on prohibiting the sales of shares in specified period (Silent Period) for shares or convertible securities offered through private placement.
4. Bor Jor (Wor) 58/2558 Re: Requesting attention and compliance on disclosure guidelines in case listed companies increase capital or allocate capital increase shares to specific persons (private placement: PP).
5. Notification of Capital Market Supervisory Board No.Tor Chor 72/2558, Re: Approval for listed companies to sell newly-issued shares through private placement.
6. Notification of Capital Market Supervisory Board No Tor Chor 73/2558, Re: The items in the shareholders' meeting documents of listed companies to seek for an approval for issuance and sales of securities.
7. Notification of Capital Market Supervisory Board No. Sor Jor 39/2551, Re: Calculation of offering price of securities and determination of market price for consideration for sales of newly-issued shares at discount Price.
8. Checklist of the items in the invitation letter for shareholders meeting of the listed companies to seek an approval to issue securities through private placement.

Calculation formula

1. Dilution

$$\text{Price dilution} = \frac{\text{Market price before sales offering} - \text{Market price after sales offering}}{\text{Market price before sales offering}}$$

Whereas the market price after sales offering = $\frac{(\text{market price} \times \text{No. of paid-up securities}) + (\text{offering price} \times \text{No. of securities c sales this time})}{\text{No. of paid-up securities} + \text{No. of securities offered for sales this time}}$

$$\text{Control dilution} = \frac{\text{No. of shares offered for sales this time}}{\text{No. of paid-up securities} + \text{No. of securities offered for sales this time}}$$

$$\text{Earnings per share dilution} = \frac{\text{Earnings per share before sales offering} - \text{Earnings per share after sales offering}}{\text{Earnings per share before sales offering}}$$

Whereas earnings per share before sales offering = net profit / No. of paid-up securities

Earnings per share after sales offering = net profit / (No. of paid-up securities + No. of securities offered for sales this time)

2. The offering price shall be calculated as follows:

- 1) Shares subscription: use offering price
- 2) Debenture conversion: use convertible debenture offering price divided by conversion ratio
- 3) Warrant exercise: use warrant offering price adding exercise price
- 4) Shares issued along with warrant shall be calculated by

$$\frac{((P_s)(Q_s)) + ((P_w)(Q_w)) + ((E_p)(Q_x))}{Q_s + Q_x}$$

Where;

P_s = Offering Price

Q_s = Quantity of shares offering with additional warrants

P_w = Warrants offering price

Q_w = Quantity of warrants offering with additional shares

E_p = Warrants exercise price

Q_x = Quantity of shares after exercise Q_w

3. The market price shall be any of the following items.

- 1) Weighted Average Price (intraday average price or closing price) of at the past 7-15 consecutive days, prior to the price at subscription date or converted date.

The date can be in accordance with the board of directors' resolution or any of the followings:

- 2) The date the board of directors agrees to propose to the shareholders' meeting to seek an approval to sell newly-issued securities at discount price
- 3) The date the shareholders' meeting gives an approval to the company to sell newly-issued shares at discount price
- 4) The first date of sales offering to investors
- 5) The date the investors are entitled to convert the convertible debentures or purchase shares according to the warrant
- 6) The price determined by comparison of supply and demand such as book building.
- 7) The fair price assessed by financial advisor on the list certified by the SEC.