

**Capital Increase Report Form**  
**Wave Entertainment Public Company Limited**  
**24 June 2020**

We, Wave Entertainment Public Company Limited (the “**Company**”), hereby report on the resolution of board of directors meeting no. 3/2020, held on 24 June 2020, relating to a capital increase and share allotment as follows:

**1. Capital increase and decrease:**

The board of directors’ meeting has resolved to approve the decrease of the Company’s registered capital in the amount of Baht 42,118,409 from Baht 510,070,000 to Baht 467,951,591 by canceling the issued and unsold shares and to approve the increase of the Company’s registered capital in the amount of not exceeding Baht from Baht 1,052,891,081 to Baht 1,520,842,672 by issuing newly issued ordinary shares of not exceeding 1,052,891,081 shares at the par value of Baht 1 per share

The details of the allocation of newly issued shares are as follows:

- (1) newly issued ordinary shares in the number of not exceeding 701,927,387 shares at the par value of Baht 1 per share to the existing shareholders proportionate to their respective shareholdings (Rights Offering) at the ratio of 1 existing share to 1.5 newly issued ordinary share (fractions of share being disregarded), at the offering price of Baht 0.70 per share
- (2) newly issued ordinary shares in the number of not exceeding 350,963,694 shares to reserve for the exercise of warrants to purchase newly issued ordinary shares no. 2 (WAVE-W2) at the ratio of 2 newly issued ordinary shares to 1 unit of WAVE-W2 (fractions of share being disregarded) at the selling price of Baht 0 per unit and the exercise ratio at 1 unit of WAVE-W2 to 1 newly issued ordinary share with a par value of Baht 1 per share at the exercise price of Baht 0.70 per share

Type of capital increase	Type of share	Number of shares (shares)	Par value (Baht/share)	Total (Baht)
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds as follows:  1. to reserve for subscription of newly issued shares of the existing shareholders proportionate to their respective shareholdings (Rights Offering)  2. to reserve for the exercise of warrants to purchase newly issued ordinary shares no. 2 (WAVE-W2)	Ordinary	701,927,387	1.00	701,927,387
	Preferred	-	-	-
	Ordinary	350,963,694	1.00	350,963,694
	Preferred	-	-	-
<input type="checkbox"/> General mandate	Ordinary	-	-	-
	Preferred	-	-	-

## 2. Allotment of newly issued shares:

### 2.1 Specific purpose of utilizing the proceeds

Allotted to	Number of shares (shares)	Ratio (old : new)	Sale price (Baht/share)	Subscription and payment period	Note
1. Existing shareholders	701,927,387	1 existing share to 1.5 newly issued ordinary share	0.70	Remark (1)	Remark (2)
2. Warrant to purchase ordinary shares of the Company (WAVE-W2) to existing shareholders who subscribe for newly issued shares	350,963,694	2 newly issued ordinary shares to 1 warrant	0.00	Remark (3)	-

#### **Remarks:**

- (1) The board of directors and/or any person 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 capital increase and allotment of the newly issued ordinary shares of the Company, including but not limited to:
  - (a) to determine conditions and other details relating to the allotment of the newly issued ordinary shares, including but not limited to offer period, subscription, payment of subscription price and other conditions and details relating to the allotment of the newly issued ordinary shares;
  - (b) to sign application, notice, instrument or other document in relation to the capital increase and allotment of the newly issued ordinary shares, including certifying relevant documents, contact, file with and/or accept documents from any competent authorities and/or agencies and listing of the newly issued ordinary shares of the Company on the Stock Exchange of Thailand; and
  - (c) to perform any other related and necessary act and/or any act in connection with the capital increase and allotment of the newly issued ordinary shares of the Company to be in accordance with the laws and/or any related regulations.
- (2) The allotment of newly issued ordinary shares in the number of not exceeding 701,927,387 shares at the par value of Baht 1 per share to the existing shareholders proportionate to their respective shareholdings (Rights Offering) at the ratio of 1 existing share to 1.5 newly issued ordinary share (fractions of share being disregarded), at the offering price of Baht 0.70 per share.

If there are newly issued ordinary shares remaining after the first allotment to the existing shareholders proportionate to their respective shareholdings, the Company shall allot the remaining shares to the oversubscribing shareholders at the offering price of Baht 0.70 per share (the same offering price). In the allotment of such newly issued ordinary shares, the Company shall again allot 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 allotted due to it is the fractions of share, subject to the following conditions:

- (a) 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 higher than or equal to the shares that existing shareholders has oversubscribed, the remaining shares shall be allocated to all shareholders who have oversubscribed and 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 shares that existing shareholders has oversubscribed, the remaining shares shall be allocated to the shareholders who oversubscribe by following procedures:
  - (b.1) it will allocate the remaining shares 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. The fraction number of shares shall 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, the allocation to the Company's existing shareholders in any case, must not make any shareholder (including a person under the Section 258 of the Securities and Exchange Act B.E.2535 (as amended) of such shareholder) hold the shares of the Company which will be required to make a tender offer for securities according to the Notification of the Capital Market Supervisory Board Tor Jor. 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.

- (3) The Board of Directors and/or the executive committee and/or the authorized director to bind the Company or and/or any person designated by the Board of Directors or the executive committee or the authorized director to bind the Company shall have the authority to consider and perform any act relating to, necessary for and/or in connection with the allotment of the newly issued ordinary shares and warrants of the Company, including but not limited to:
  - (a) to determine conditions and other details relating to the allotment of warrants, including but not limited to the date of issuing warrants and date of subscription of warrants;

- (b) to sign application, notice, instrument or other document in relation to the capital increase and allotment of the newly issued ordinary shares and warrants, including filing application and relevant documents to any competent authorities and/or agencies and listing of the newly issued shares from the exercise of warrants on the Stock Exchange of Thailand; and
- (c) to perform any other related and necessary act in connection with the allotment of newly issued ordinary shares and warrants.

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

If there are any fraction of shares arising from the allotment of newly issued ordinary shares under the Rights Offering and/or the allotment of WAVE-W2, the Company shall disregard such fraction of shares.

**3. Schedule for a shareholders’ meeting to approve the capital increase/allotment**

The 2020 Annual General Meeting of shareholders (no. 27/2020) is scheduled to be held on Thursday 30 July 2020 at 2.00 p.m. at Maleenont Tower (Building M2), 8<sup>th</sup> Floor, 3199 Rama IV Road, Klongton Sub-district, Klongtoey District, Bangkok 10110 and the date for determination of the list of shareholders who will be entitled to attend the 2020 Annual General Meeting of shareholders (no. 27/2020) (Record Date) shall be on Wednesday 8 June 2020.

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

- 4.1 The Company will register the increase of its registered capital and paid-up capital with the Department of Business Development, the Ministry of Commerce.
- 4.2 The Company must obtain approval from the Stock Exchange of Thailand for listing the newly issued ordinary shares of the Company as listed securities on the stock exchange.

**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 in many parts such as the virus epidemic situation and 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 of capital and issuance of warrants to expand its business and investment in new project including partial repayment of outstanding loans to financial institutions and working capital of the Company and its subsidiaries. The Board of Directors views that the proceeds from such capital increase and issuance of warrants 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, 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	391	Within 2020
2. Working capital	246	as deemed necessary and appropriate.
3. Repayment of loan due and payable to financial institutions	100	Due date of repayment term
<b>Total</b>	<b>737</b>	

After the issue and offer of newly issued ordinary shares (Rights Offering) and partial loan repayment to financial institution, the Company's debt to equity ratio will decrease from 2.73 times to 1.36 times (calculated based on the Company's statement of financial position as of 31 March 2020).

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

To increase additional capital to the Company for operating of business of the Company and its subsidiaries and for partial debt repayment to financial institutions. 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 allotment**

7.1 Dividend policy is not less than 50% of net profits after deduction of income taxes

7.2 Subscribers of new shares issued for this capital increase will be entitled to receive dividends from the Company's business operations starting from the date of which such shares are issued and offered including listed shares on the Stock Exchange of Thailand

7.3 Others

- n/a -

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

The impacts from the issuance and allotment of warrants are as set out under summary of preliminary information in respect of warrant to purchase newly issued ordinary shares no. 2 (WAVE-W2).

**9. Schedule of action if the board of directors passes a resolution approving the capital increase or allotment of new shares:**

No.	Procedures of the capital increase	Date/Month/Year
1	To hold the board of directors' meeting no. 3/2020 to consider and approve the capital increase and allotment of newly issued ordinary shares	24 June 2020
2	The date for determination of the list of shareholders who will be entitled to attend the 2020 Annual General Meeting of Shareholders (no. 27/2020) (Record Date)	8 July 2020
3	The date of the 2020 Annual General Meeting of Shareholders (no. 27/2020)	30 July 2020
4	To register the decrease and the increase of the Company's registered capital with the Department of Business Development, the Ministry of Commerce	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 (Record Date)	To be confirmed
6	Subscription date of newly issued shares	To be confirmed

<b>No.</b>	<b>Procedures of the capital increase</b>	<b>Date/Month/Year</b>
7	Issuance of warrants to purchase newly issued ordinary shares of the Company No. 2 (WAVE-W2)	To be confirmed
8	To register the increase of the Company's paid-up capital and list such allocated shares as listed securities on the Stock Exchange of Thailand	After the completion of allotment 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