

**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. 3/2020 of Wave Entertainment Public Company Limited (the "**Company**") held on 24 June 2020 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 for the allocation of newly issued shares 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 and the allocation of newly issued ordinary shares in the number of not exceeding 350,963,694 shares for the exercise of warrants to purchase newly issued ordinary shares no. 2 (WAVE-W2) at the exercise ratio of 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. The WAVE-W2 will be issued and allotted to the existing shareholders who have subscribed the newly issued ordinary shares under the Rights Offering, 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.

This matter shall be further proposed for consideration by the 2020 Annual General Meeting of Shareholders (no.27/2020) on Thursday, 30 July 2020.

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

- 1.1 The Company will allot the 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.

- 1.2 The offer and allotment of newly issued ordinary shares above, it shall be proposed to the 2020 Annual General Meeting of shareholders (no.27/2020) to authorize 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.

In this regard, the issuance and offering of newly issued ordinary shares to the existing shareholders is subject to the approval by the 2020 Annual General Meeting of shareholders (no.27/2020) of the Company. Therefore, the subscription period and payment period of this offer of newly issued ordinary shares shall be further notified by the Company.

## **2. Objectives of share issuance and investment plan**

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).

### **3. Opinion of the Board of Directors**

#### **3.1 Reason and necessity of capital increase**

The capital increase and allotment of newly issued shares to the existing shareholders is appropriate and for the best interest of the Company due to it is in line with investment plan and it will enhance the Company's financial stability, resulting in a decrease in its finance costs in the future. In addition, the Company will have higher working capital which will improve financial liquidity and it will increase competitiveness and business development of the Company, enabling the Company to grow with sustainability, which will ultimately result in return to the Company and its shareholders in the future.

#### **3.2 Proceed utilization plan and potential of utilization plan for proceeds from the offering of new ordinary shares**

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 including for partial repayment of loan to financial institutions and as working capital for operations of the Company and its subsidiaries.

#### **3.3 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 allotment of newly issued shares will reduce liabilities from financial institution, including interest and other related expenses, resulting in financial stability 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 working capital as of present, will be sufficient for operating the Company's business according to its business plan.

**3.4 Possible effect 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 allotment of newly issued 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. 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.

**4. 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. If such failure to perform his/her duties results in the director or any related person gaining unlawful benefit, shareholders may, on behalf of the Company, exercise their rights to reclaim that benefits from the director pursuant to Section 89/18 of the Securities Exchange Act B.E. 2535.

**5. Opinion of audit committee regarding the capital increase and allotment 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. 3/2020 held on 24 June 2020.

Yours sincerely,

- *Mr. Matthew Kichodhan* -

Mr. Matthew Kichodhan  
Chairman and CEO

Wave Entertainment Public Company Limited