

(F 53-4)

Capital Increase Report Form
Wave Entertainment Public Company Limited
7 February 2018

We, Wave Entertainment Public Company Limited, hereby report on the resolution of board of directors meeting no. 1/2017, held on 7 February 2018, relating to a capital increase and share allotment as follows:

1. Capital increase:

The board of directors' meeting passed a resolution approving the increase of the company's registered capital from Baht 463,320,000 to Baht 510,070,000 by issuing 46,750,000 ordinary shares with a par value of Baht 1.00 per share, totaling Baht 46,750,000. Details of the capital increase are:-

| 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 | Ordinary | 46,750,000 | 1.00 | 46,750,000 |
| | 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 |
|--------------------------------|---------------------------|-------------------|-------------------------|---------------------------------|------|
| The Mall Group Company Limited | 46,750,000 | - | 3.85 | Remarks (1) | |

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;

- (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 offer of newly issued ordinary shares of the Company to specific investor is considered the offer of newly issued ordinary shares to specific investor at a specific offer price as determined by the resolutions of the shareholders' meeting pursuant to the Notification of Capital Market Supervisory Board No. Tor Chor. 72/2558 Re: Approval of Offering for Sale of Newly Issued Shares by Listed Companies to Specific Persons (the "**Notification of Capital Market Supervisory Board No. Tor Chor. 72/2558**"). Therefore, in addition to obtaining approval from the shareholders' meeting, the Company must obtain approval from the Securities and Exchange Commission pursuant to the Notification of Capital Market Supervisory Board No. Tor Chor. 72/2558 prior to the offering of the newly issued ordinary shares to specific investor.
- (3) The offer and allotment of the Company's newly issued ordinary shares to specific investor is considered the offer of newly issued ordinary shares to specific investor at a specific offer price and the offer price is **not less** than 90% of the market price.

The market price means the weighted average trading price of the Company's shares on the Stock Exchange of Thailand during the past 7 consecutive business days before the date on which the Company's board of directors' meeting resolved to propose to the Extraordinary General Meeting of Shareholders No. 1/2018 to consider and approve the issue and allotment of newly issued ordinary shares, during 29 January 2018 to 6 February 2018, which is equivalent to Baht 3.39 per share.

However, on the date of issuing new shares (offer date), if the recalculation of offer price is at a discount of more than 10% from the market price (calculated from the weighted average trading price during the past 7 – 15 business days before the offer date), such specific investor shall comply with silent period rule. The silent period will be applied for 1 year and after 6 months, such specific investor can sell 25% of shares under the silent period.

The details of specific investor, relationship with the company, and the basis used in determining the offering price are set out under the information memorandum on the offering of the newly issued ordinary shares to specific investor (Enclosure 1).

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

Since the capital increase and offer of newly issued shares is for specific investor, there will be no fraction of shares.

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

The extraordinary general meeting of shareholders no. 1/2018 is scheduled to be held on Thursday 22 March 2018 at 2.00 p.m. at Ballroom 2, 5th floor, S31 Sukhumvit Hotel, 545 Sukhumvit 31, Klongtoey-Nua, Wattana, Bangkok 10110. The date for determination of the list of shareholders who will be entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2018 (Record Date) shall be 22 February 2018.

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

- 4.1 The Company must obtain approval from the Securities and Exchange Commission for the offering of newly issued ordinary shares to specific person (Private Placement) pursuant to the Notification of Capital Market Supervisory Board No. Tor Chor. 72/2558.
- 4.2 The Company will register the increase of its registered capital and paid-up capital with the Department of Business Development, the Ministry of Commerce.
- 4.3 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 economic condition during year 2016 to 2017, the domestic consumption was decrease and it affected the revenue and cash flow of the Company therefore, the Company has its intension to issue the newly issued shares for working capital such as normal expenses, rental fees and salary including the repayment of loan for normal operation as working capital of the Company and its subsidiaries and for partial repayment of loan to financial institutions. The proceeds which will be received from this capital increase, shall support the cash flow of the Company and it is sufficient for the repayment of loan of the Company, the details of which are as follows:

| Objectives | Proceeds (Baht Million) | Timeline |
|--|---------------------------------|--|
| 1. Working capital | 72 | 2018 |
| 2. Partial repayment of loan due and payable to financial institutions | 108 | within 3 rd quarter of 2018 |
| Total | 180 | |

After the issue and offer of newly issued ordinary shares to specific investor and partial loan repayment to financial institution, the Company's debt to equity ratio will decrease from 2.08 times to 1.65 times (calculated based on the Company's statement of financial position as of 30 September 2017).

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 issue, offer, and allotment of newly issued ordinary shares to specific investor may have the following effect:

8.1 Price dilution

Pre-offering market price¹ – Post-offering market price²

Pre-offering market price¹

= Baht 3.39 – Baht 3.44

Baht 3.39

= - 1.47 %

Whereas:

¹ Pre-offering market price is calculated based on the weighted average trading price of the Company's share during the past 7 business days before the date of the board of directors' meeting on 7 February 2018. The market price, calculated from the weighted average trading price during 29 February 2018 to 6 February 2018, is equivalent to Baht 3.39 per share.

² Post-offering market price = (No. of paid-up shares x market price) + (No. of PP shares x PP price)

No. of paid-up shares + No. of PP shares

= (421,200,000 x Baht 3.39) + (46,750,000 x Baht 3.85)

421,200,000 + 46,750,000

= Baht 3.44

Therefore, after the allotment of newly issued ordinary shares to specific investor, price dilution is - 1.47 %.

8.2 Control Dilution

No. of PP shares

No. of paid-up shares + No. of PP shares

$$\begin{aligned} &= \frac{46,750,000}{(421,200,000 + 46,750,000)} \\ &= 9.99\% \end{aligned}$$

Therefore, after the allotment of newly issued ordinary shares to specific investor, voting right of the existing shareholders will decrease by 20%.

8.3 Earnings Per Share Dilution

This type of dilution cannot be calculated as earnings per share of the Company for 3rd quarter of 2017 is negative.

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. 1/2018 to consider and approve the capital increase to specific investor (Private Placement) | 7 February 2018 |
| 2 | The date for determination of the list of shareholders who will be entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2018 (Record Date) | 22 February 2018 |
| 3 | The date of the Extraordinary General Meeting of Shareholders No. 1/2018 | 22 March 2018 |
| 4 | To register 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 the Extraordinary General Meeting of Shareholders No. 1/2018 |
| 5 | 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 allotment of newly issued ordinary shares to specific investor |

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