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**CAPITAL INCREASE REPORT FORM  
MASTER AD PUBLIC COMPANY LIMITED**

**November 4, 2021**

We, Master Ad Public Company Limited (the “**Company**”), hereby report the resolutions of the Board of Directors’ Meeting No. 5/2020-2021 held on September 22, 2021 during 3:00 p.m. to 5:30 p.m. relating to the increase of the registered capital and the allocation of newly issued ordinary shares as follows:

**1. Capital Increase**

The Board of Directors’ Meeting No. 5/2020-2021 resolved to approve the increase of the registered capital of the Company by THB 270,599,070.70 from the existing registered capital of THB 710,886,234.50 to THB 981,485,305.20, by issuing 2,705,990,707 newly issued ordinary shares with a par value of THB 0.10 per share. Details of the capital increase are as follows:

Type of Capital Increase	Type of Shares	Number of Shares (Shares)	Par Value (Baht per Share)	Total (THB)
<input checked="" type="checkbox"/> Specific purpose of utilizing the proceeds	Ordinary shares	2,705,990,707	0.10	270,599,070.70
<input type="checkbox"/> General mandate	-	-	-	-

**2. Allocation of newly issued ordinary shares (Specific purpose of utilizing the proceeds)**

Allocated to	Number of Shares (Not exceeding)	Ratio (Existing: New)	Sale Price (Baht per Share)	Date and Time of Subscription and Share Payment	Remark
To allocate for an offering to the existing shareholders of the Company in proportion to their respective shareholdings (Rights Offering)	2,705,990,707	<u>Allocation Ratio:</u> 2 existing ordinary shares to 1 newly issued ordinary share (in calculation for the right to receive the allocation of newly issued ordinary shares, any fractions resulting from the calculation based on the allocation ratio set forth shall be rounded down)	THB 0.30 per share	Remark 1	Remark Nos. 2 and 3

**Remarks:**

The Board of Directors' Meeting No. 5/2020-2021 held on September 22, 2021 approved to propose that the Extraordinary General Meeting of Shareholders No. 2/2021 to consider and approve the allocation of newly issued ordinary shares of up to 2,705,990,707 shares at a par value of THB 0.10 per share as detailed below:

1. Approved to propose to the Extraordinary General Meeting of Shareholders No. 2/2021 to consider and approve the allocation of up to 2,705,990,707 newly issued ordinary shares for an offering to the existing shareholders of the Company in proportion to their respective shareholdings at the allocation ratio of 2 existing ordinary shares to 1 newly issued ordinary share, at the offering price of THB 0.30 per share, in the case of a fraction of a share, the fraction shall be rounded down, and any newly issued ordinary shares remaining unsubscribed from the first allocation will be re-allocated to every shareholder who has oversubscribed for and fully paid the price of the subscription shares, whereby each round of reallocation will be made accordingly in proportion to their respective shareholding of each oversubscribing shareholder (the "**Rights Offering**"). In this respect, for the allocation of the oversubscribed shares, each existing shareholder may subscribe for the newly issued ordinary shares more than his or her right at the rate specified above. However, the oversubscription will be allocated only when there are remaining shares after the allocation to the existing shareholders of the Company according to the shareholding proportion in the first round.

In the event that some existing shareholders do not exercise their share subscription rights or do not subscribe in full, and there are remaining newly issued ordinary shares, the Company will allocate the remaining newly issued ordinary shares to the existing shareholder who expressed their intention to subscribe for shares in excess of their rights, whereby the Company will allocate the remaining shares in proportion to the original shareholding until no share remains, or is unable to allocate such shares as only a fraction of a share remains, or until the number of the oversubscribed shares has reached the full amount (whichever occurs first). If any subscription of shares results in any subscribing shareholder holding the shares in the amount which reaches or crosses the point where it does not fall under any exemptions stipulated under the relevant laws and regulations regarding the tender offer of the Company's securities, such shareholder must comply with the obligations stipulated under the relevant laws and regulations.

However, the Company reserves the right to not offer or allocate the newly issued ordinary shares in the Rights Offering to any shareholder if such offering or allocation will or may result in the Company being subject to any obligations under the law of other jurisdictions.

2. The authorization to the Chief Executive Officer and/or any person designated by the Chief Executive Officer to undertake any actions with regard to the issuance, offering and allocation of such newly issued ordinary shares, which including but not limited to:
  - (1) determining or modifying the terms and other details in relation to the Rights Offering, including: (i) not offering or allocating the newly issued ordinary shares in Rights Offering if such offering or allocation will or may result in the Company being subject to any obligations under the law of other jurisdictions, (ii) the subscription period and payment method of the Rights Offering, and (iii) any other terms and details relating to the foregoing matters;
  - (2) entering into negotiation, agreement and execution of the relevant documents and agreements as well as taking any action in connection with the said allocation of newly issued ordinary shares;
  - (3) execution of application for permission and waiver, including any necessary evidence in connection with the allocation of newly issued ordinary shares, including the arrangement and submission of application for such permission and waiver (if any), including documents and evidence to relevant authorities or agencies, listing such newly issued ordinary shares on the Stock Exchange of Thailand (the "**SET**") and being empowered to take any other action which

is necessary for the allocations of such newly issued ordinary shares; and

- (4) appointing and designating other appropriate persons to be the substitute authorized person to perform the above matters.

**3. Schedule of the Extraordinary General Meeting of Shareholders to approve the capital increase and the allocation of the newly issued shares**

The Extraordinary General Meeting of Shareholders No. 2/2021 is scheduled to be held on Friday, November 19, 2021 at 2:00 p.m. which is an electronic meeting. The Record Date to determine shareholders who are entitled to attend the Extraordinary General Meeting of Shareholders No. 2/2021 is set on October 25, 2021.

**4. Application for approval of the capital increase/allocation of newly issued shares by the relevant governmental agencies and approval conditions**

4.1 The Company will register the increase of registered capital, the amendment to the Memorandum of Association and the amendment to the paid-up capital with the Department of Business Development, the Ministry of Commerce; and

4.2 The Company will file an application for the listing of the newly issued ordinary shares as listed securities with the SET.

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

The Company will receive the proceeds received from the capital increase at approximately of THB 811,979,212. In this regard, the proceeds derived from the capital increase will strengthen the financial position of the Company which will **be able to be used for** ~~help the Company in having an appropriate capital structure for business expansion and allow the Company to expand its business investments at an appropriate financial ratio. Moreover, the Company may use such proceeds to support~~ **of investment opportunities in the future, for business expansion, especially investment in media advertising assets under the BTS sky trains expansion, including and assets improvement to maintain business competitiveness, thereby, creating a good growth opportunity according to the long term strategic plans of the Company. In addition, the capital increase will help the Company to have financial flexibility as well as utilize such proceeds as working capital in the existing projects of the Company and for debt repayment of the group companies. In this regard, the Company will report the use of proceeds from the capital increase every 6 months as stipulated in the relevant regulations of the SET.**

However, if the proceeds to be raised by the Company is lower than the expected amount, the proceeds utilization plan may be different from the plan set out above.

**6. Benefits which the Company will receive from the capital increase/allocation of newly issued shares**

The capital increase will strengthen the financial position of the Company and increase liquidity for the Company's business operation, as well as increase the investment opportunities which enable the Company to improve its performance and capacity to generate more revenue and profit in the future.

**7. Benefits which the shareholders will receive from the capital increase/allocation of newly issued shares**

The capital increase will strengthen the Company's financial position and enhance the Company to increase its capacity in generating revenue and profit in a stable and sustainable

manners in the future. Additionally, the Company will gain additional fund to be used as working capital, which will be beneficial to the shareholders of the Company since the Company will utilize such proceeds in its future investment plan as deems appropriates.

### **7.1 dividend payment policy**

The Company has the dividend payment policy at the rate of not less than 50 percent of the net profit after deduction of corporate income tax and legal reserves as required by laws according to the separate financial statement of the Company.

However, the dividend payment rate can be adjusted depending on the operating results, financial position, liquidity, investment plans, a working capital necessity for operation, business expansion, and other factors related to the Company's management according to the Board of Directors and/or the shareholders of the Company deemed appropriate.

### **7.2 right to receive dividend payment**

After the subscription of newly issued ordinary shares through the Rights Offering, the subscribers (the existing shareholders) shall have the right to receive dividend from the Company's operating results in proportion to their respective shareholdings.

## **8. Other details necessary for shareholders' consideration and approval of the capital increase/allocation of newly issued shares**

The foregoing offering and the allocation of newly issued ordinary shares (for the Rights Offering) will affect the shareholders as follows:

### **8.1 Control Dilution**

In the event that all existing shareholders fully subscribe for newly issued ordinary shares in proportion to their respective shareholdings, there will be no control dilution effect.

In the event that the existing shareholders do not subscribe all of the newly issued ordinary shares in the Rights Offering in proportion to their respective shareholdings but there are other existing shareholders oversubscribing for the newly issued ordinary shares in the Rights Offering and there are no remaining unsubscribed newly issued ordinary shares upon the completion of the Rights Offering, there will be the control dilution at approximately 33.33 percent, according to the following calculation:

$$\text{Control Dilution} = 1 - [\text{Number of paid-up shares} / (\text{Number of paid-up shares} + \text{Number of newly issued ordinary shares for the Rights Offering})]$$
$$\begin{aligned} \text{Control Dilution} &= 1 - [5,411,981,414 / (5,411,981,414 + 2,705,990,707)] \\ &= 33.33 \text{ percent} \end{aligned}$$

### **8.2 Price Dilution**

Price Dilution can be calculated as per the following formula:

$$\text{Price Dilution} = (\text{Pre-offering market price} - \text{Post-offering market price}) / \text{Pre-offering market price}$$

Pre-offering market price means the volume weighted average price of the Company's ordinary shares traded on the SET during 7 consecutive business days prior to the date of the Board of

Directors' Meeting on September 22, 2021, i.e., from September 13 - 21, 2021 which was equivalent to THB 0.70 per share and

Post-offering market price means  $((\text{Pre-offering market price} \times \text{Number of paid-up shares}) + (\text{Offering price of newly issued ordinary shares offered to the existing shareholders in the Rights Offering} \times \text{Number of newly issued ordinary shares offered to the existing shareholders in the Rights Offering}) / (\text{Number of paid-up shares} + \text{Number of newly issued ordinary shares offered to the existing shareholders in the Rights Offering}))$

Whereas:

Pre-offering market price	=	THB 0.70 per share
Number of paid-up shares	=	5,411,981,414 shares
Offering price of newly issued ordinary shares offered to the existing shareholders in the Rights Offering	=	THB 0.30 per share
Number of newly issued ordinary shares offered to the existing shareholders in the Rights Offering	=	2,705,990,707 shares

Post-offering market price

$$= \frac{(0.70 \times 5,411,981,414) + (0.30 \times 2,705,990,707)}{(5,411,981,414 + 2,705,990,707)}$$

$$= \text{THB } 0.5667 \text{ per share}$$

Therefore, the Price Dilution can be calculated as follows:

$$= \frac{(0.70 - 0.5667)}{0.7}$$

$$= 19.04 \text{ percent}$$

### 8.3 Earnings Per Share (EPS) Dilution

The Company was unable to calculate the Earnings Per Share (EPS) Dilution due to the Company has recorded a loss from the business operating results from the year ended March 31, 2021.

### 9. Schedule of actions in case the Board of Directors passes a resolution to approve the capital increase/allocation of newly issued shares:

No.	Actions	Date/Month/Year
1.	The Board of Directors' meeting approved to propose that the Extraordinary General Meeting of Shareholders to consider and approve the capital increase and the allocation of newly issued ordinary shares.	September 22, 2021

No.	Actions	Date/Month/Year
2.	Notifying the SET of the resolutions of Board of Directors' Meeting	September 23, 2021
3.	Record Date to determine shareholders who are entitled to attend the Extraordinary General Meeting of Shareholders No. 2/2021 (Record Date)	October 25, 2021
4.	Date of the Extraordinary General Meeting of Shareholders No. 2/2021	November 19, 2021
5.	Notifying the SET of the resolutions of the Extraordinary General Meeting of Shareholders No. 2/2021	November 19, 2021
6.	Date of registration of the capital increase and the amendment to the Memorandum of Association with the Ministry of Commerce	Within 14 days from the date of the Extraordinary General Meeting of Shareholders No. 2/2021
7.	Record Date to determine shareholders who will be offered to subscribe for newly issued ordinary shares in the Rights Offering <sup>1</sup>	November 29, 2021
8.	Subscription period and payment date of newly issued ordinary shares in the Rights Offering	December 20-24, 2021
9.	Registration of paid-up capital with the Ministry of Commerce	Within 14 days from the date on which the share payment is fully received
10.	Listing the newly issued ordinary shares of the Company on the SET	Will be informed accordingly via the SET's information disclosure system

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

### **10.1 Rationality and necessity of the capital increase:**

The Board of Directors deemed that it is necessary for the Company to increase its registered capital and allocate such newly issued ordinary shares to the existing shareholders in proportion to their respective shareholdings whereby the proceed derives from the capital increase will be used for the objectives as mentioned in No. 5 above.

The Board of Directors considered and opined that the Right Offering will grant the rights to the existing shareholders of the Company to subscribe and be able to receive returns and benefits from the Company's future business operations.

### **10.2 Feasibility of the newly issued ordinary shares utilization plan.**

In the event that the newly issued ordinary shares of the Company in Rights Offering have been fully subscribed by the existing shareholders, the Company will receive the proceed at

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<sup>1</sup> Record Date is still uncertainty as it requires approval from the shareholders' meeting for the Rights Offering.

approximately of THB 811,979,212. The Company expects that the capital increase will be completed within December 2021. In this regard, the Company will utilize such proceeds for the objectives as mentioned in No. 5 above.

**10.3 Reasonableness of the capital increase and plan to utilize the proceeds:**

The capital increase and the plan to utilize the proceeds are reasonable and sufficient for the Company's investment projects.

**10.4 Potential effect on the Company's business operation, financial position, and financial performance due to capital increase and the plan for utilizing proceeds received from the offering or projects:**

The Company will utilize the proceeds received from the capital increase to strengthen its financial status and to accommodate the business expansion as well as to be used as an additional working capital in order for the Company to operate its business in a stable and sustainable manner. In this regard, this capital increase will not cause any negative impacts to the Company's business operations, financial status, and operating results.

**11. Representation of the Board of Directors**

In the event the directors of the Company fail to perform their duties with integrity and safeguard the interests of the Company in regard to the capital increase and such non-performance causes damages towards the Company, the shareholders may make a claim against the director in question on behalf of the Company according to section 85 and the relevant provisions of the Public Limited Companies Act B.E. 2535 (1992) (as amended). In addition, if such non-performance causes a wrongfully benefit to any directors or related parties, shareholders may use their rights to sue that director for damages on behalf of the Company, according to section 89/18 of the Securities and Exchange Act B.E. 2535 (1992) (as amended).

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

Please be informed accordingly.

Sincerely yours,

**Master Ad Public Company Limited**

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Mr. Phoon Chiong Kit

Authorized Director

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Mr. Chaiyasit Puvapiromquan

Authorized Director