

(F 53-4)

CAPITAL INCREASE REPORT FORM
MASTER AD PUBLIC COMPANY LIMITED

May 25, 2022

We, Master Ad Public Company Limited (the “**Company**”), hereby report the resolutions of the Board of Directors’ Meeting No. 2/2022-23 held on May 25, 2022, at 15.30 hrs. in relation to the increase of the registered capital and the allocation of the newly issued ordinary shares as follows:

1. Capital Increase

The Board of Directors’ Meeting No. 2/2022-23 resolved to propose the shareholders’ meeting to consider and approve the increase of the Company’s registered capital of THB 208,335,584.90 from the existing registered capital of THB 981,485,305.20 to THB 1,189,820,890.10 by issuing 2,083,355,849 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 (THB per Share) | Total (THB) |
|--|-----------------|---------------------------|---------------------------|----------------|
| <input checked="" type="checkbox"/> Specific purpose of utilizing the proceeds | Ordinary shares | 2,083,355,849 | 0.10 | 208,335,584.90 |
| <input type="checkbox"/> General mandate | - | - | - | - |

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

| Allocated to | Number of Shares (Shares) | Ratio (Existing: New) | Sale Price (THB per Share) | Date and Time of Subscription and Share Payment | Remark |
|--|-----------------------------|--|---|---|---------------------------|
| To accommodate the exercise of rights under warrants to purchase the newly issued ordinary shares of Master Ad Public Company Limited No. 4 (the “ Warrants ” or “ MACO-W4 Warrants ”) | Not exceeding 2,029,493,030 | <u>Allocation Ratio:</u> 4 ordinary shares for 1 unit of the Warrants | <u>Exercise Price</u> THB 1.00 per share | The exercise of the rights to purchase the newly issued ordinary shares of the Company under the MACO-W4 Warrants shall be in accordance with the conditions on the exercise of the Warrants as stipulated in the Terms and Conditions Governing the Rights and Obligations of the Issuer and Holders | Please see remark no. 1.1 |

| Allocated to | Number of Shares (Shares) | Ratio (Existing: New) | Sale Price (THB per Share) | Date and Time of Subscription and Share Payment | Remark |
|---|---------------------------|-----------------------|----------------------------|--|---------------------------|
| | | | | of the Warrants to Purchase the Newly Issued Ordinary Shares of Master Ad Public Company Limited No. 4 (MACO-W4) (the “ Terms and Conditions of MACO-W4 ”) | |
| To accommodate the rights adjustment of the warrants to purchase the newly issued ordinary shares of Master Ad Public Company Limited No. 3 (the “ MACO-W3 Warrants ”) | Not exceeding 53,862,819 | - | - | The exercise of the rights to purchase the newly issued ordinary shares of the Company under the MACO-W3 Warrants shall be in accordance with the conditions on the exercise of the warrants as stipulated in the Terms and Conditions Governing the Rights and Obligations of the Issuer and Holders of the Warrants to Purchase the Newly Issued Ordinary Shares of Master Ad Public Company Limited No. 3 (MACO-W3) | Please see remark no. 1.2 |

Remark:

1. The Board of Directors’ Meeting No. 2/2022-23 held on May 25, 2022 approved to propose to the 2022 Annual General Meeting of Shareholders to consider and approve the increase of the Company’s registered capital of THB 208,335,584.90, by issuing 2,083,355,849 newly issued ordinary shares with a par value of THB 0.10 per share, to allocate to the following persons:
 - 1.1 The allocation of not exceeding 2,029,493,030 newly issued shares with a par value of THB 0.10 per share to accommodate the exercise of right under the MACO-W4 Warrants of not exceeding 2,209,493,030 units, which are allocated to the existing shareholders of the Company in proportion to their respective shareholdings, at no cost, at an allocation ratio of 4 existing shares for 1 unit of the MACO-W4 Warrants. Any fractions derived from the calculation based on the allocation ratio shall be rounded down.

The term of MACO-W4 Warrants is 1 year from the issuance date. The exercise ratio under the Warrants is 1 unit will be entitled to purchase 4 ordinary shares at the exercise price of THB 1.00 per share. In this regard, the summary of key features of the MACO-W4 Warrants are set out in the Key Features of Warrants to Purchase the Newly Issued Ordinary Shares of the Company No. 4 (MACO-W4) (**Enclosure 5**).

The Company will issue and allocate the MACO-W4 Warrant to the shareholders whose names are as appeared on the determination date of shareholders who shall be entitled to receive the MACO-W4 Warrants (Record Date) on August 5, 2022.

In addition, the Board of Directors' Meeting approved the delegation of power to the Executive Committee and/or any person delegated by the Executive Committee to determine, revise, add, change the conditions and any other details in relation to the issuance and allocation of the MACO-W4 Warrants e.g., issuance date of Warrants, allocation method of Warrants, exercise period of Warrants, and the last exercise date of the Warrants, etc. including execute and revise any relevant documents, and take any actions in relation to or necessary to complete the issuance and allocation of the MACO-W4 Warrants, which is including but not limited to the filing of applications, information, documents and evidence to the Stock Exchange of Thailand ("SET"), the Securities and Exchange Commission, the Thailand Securities Depository Company Limited, the Ministry of Commerce, or other relevant government agencies, as well as listing the MACO-W4 Warrants and the newly issued ordinary shares from the exercise of rights under the MACO-W4 Warrants on the SET; and

- 1.2 The allocation of not exceeding 53,862,819 newly issued ordinary shares, with a par value of THB 0.10 per share, to accommodate the rights adjustment of the MACO-W3 Warrants of not exceeding 1,750,743,750 units, at the allocation ratio of 1.294 newly issued ordinary shares to 1 unit of MACO-W3 Warrants, pursuant to the terms and conditions governing the rights and obligations of the issuer and holders of the warrants to purchase the newly issued ordinary shares of Master Ad Public Company Limited No. 3 (MACO-W3).

And the delegation of power to the Executive Committee and/or any person delegated by the Executive Committee to take any actions in relation to or the issuance and allocation of newly issued ordinary shares to accommodate the rights adjustment of the MACO-W3 Warrants.

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

- 2.1 In the event that there is an adjustment to the exercise ratio upon the occurrence of event pursuant to the conditions concerning the right adjustment as stipulated in the Terms and Conditions of the MACO-W4 Warrants resulting in a fraction of shares that will be allocated under the MACO-W4 Warrants, such fraction of shares shall be rounded down.
- 2.2 In the event that there is a fraction of shares derived from the calculation under the MACO-W4 Warrants' exercise ratio, such fraction of shares shall be rounded down.

3. **Schedule of the shareholders' meeting to approve the capital increase and the allocation of the newly issued shares**

The Company determined the date of 2022 Annual General Meeting of Shareholders on July 27, 2022, at 14.00 hrs. via the electronic means and the date for determining the names of shareholders entitled to attend the 2022 Annual General Meeting of Shareholders (Record Date) on June 13, 2022.

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 the registered capital and the amendment of the Memorandum of Association with the Department of Business Development, the Ministry of Commerce, within 14 days from the date on which the shareholders' meeting has approved the capital increase and the amendment of the Memorandum of Association of the Company and the Company will register the amendment of the paid-up capital with the Department of Business Development, the Ministry of Commerce, within 14 days after the date on which the Company receives the share payment from the exercise of right under the MACO-W4 Warrants.
- 4.2 The Company will apply for approval from the SET for listing the newly issued ordinary shares of the Company as follows:
 - 4.2.1 The MACO-W4 Warrants issued to the to existing shareholders in proportion to their respective shareholdings; and
 - 4.2.2 The newly issued ordinary shares of the Company from the exercise of right under the MACO-W3 Warrants and the MACO-W4 Warrants (as set out in table No. 2).

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

The Company will issue and allocate the MACO-W4 Warrants in the amount not exceeding 2,029,493,030 units in order to enhance financial flexibility for extension of business and be the working capital of the Company in the future. In addition, the Company wish to issue and allocate the Warrants in return to the shareholders which the shareholders who are allocated with the MACO-W4 Warrants are entitled to exercise their right to purchase the newly issued ordinary shares of the Company once the exercise period is due or receive the return from the Warrants in the SET.

In this regard, in case the MACO-W4 Warrants are exercised in full, the Company will receive fundings at an approximately of THB 2,029,493,030, which will enable the Company to have fundings for expand the business, including reserve as the working capital of the Company in the future and result in the constant growth of the Company's operation.

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

When the rights under the MACO-W4 Warrants are exercised, the Company's financial position shall be stronger and shall enhance liquidity to expand the business and will be reserved as the working capital for the Company's operation, which will benefit to the Company's business operation in the future.

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

7.1 Dividend Policy

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

In this regard, the dividend payment rate can be adjusted depending on the Company's operation result, financial position, liquidity, investment plan, working capital required for the business operation, business expansion and other factors relevant to the management of the Company as the Board of Directors and/or shareholders deemed appropriate.

- 7.2 The holders of the MACO-W4 Warrants will be entitled to receive dividends from the Company's business operation after having exercised their rights under the MACO W-4 Warrants to purchase the newly issued ordinary shares of the Company and having been registered as shareholders of the Company.

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

In the event that the MACO-W4 Warrants are fully exercised but the holders who exercise the MACO-W4 Warrants are not the shareholders of the Company, the shareholders may be affected as follows.

8.1 Control Dilution Effects

In the event that the MACO-W4 Warrants are fully exercised but the holders who exercise the MACO-W4 Warrants are not the shareholders of the Company, the shareholding of the existing shareholders of the Company will be affected by the dilution of the shareholding of approximately 19.99* percent compared to the shareholding before the issuance and allocation of the Warrants.

*Calculated from number of shares reserved to accommodate the Warrants issued this time of 2,029,493,030 shares, divided by the sum of (1) number of the Company's paid-up shares as of January 4, 2022, of 8,117,972,121 shares, and (2) number of shares accommodated for the Warrants issued this time of 2,029,493,030 shares.

Control Dilution

$$\begin{aligned}
 &= \text{Number of shares reserved to accommodate the Warrants issued this time} / \\
 &\quad (\text{Number of paid-up shares} + \text{Number of shares accommodated the Warrants issued this time}) \\
 &= 2,029,493,030 / (8,117,972,121 + 2,029,493,030) \\
 &= \text{Approximately 19.99 percent}
 \end{aligned}$$

Remark In case the rights under MACO-W3 Warrants are fully exercised, the number of paid-up shares of the Company shall be increased to 9,868,715,871 shares, which will dilute the shareholding of the existing shareholders of approximately 17.06 percent.

8.2 Price Dilution Effects

After the issuance and allocation of the Warrants to the existing shareholders of the Company in proportion to their respective shareholdings this time and the right under the Warrants are fully exercised, there will be no price dilution effect since the exercise price is higher than the market price prior to the allocation. The market price prior to the allocation is the volume-weighted average price of the Company's ordinary shares traded on the SET for 7 consecutive business days prior to May 25, 2022, which is the date that the Board of Directors' Meeting has been held and resolved to propose the agenda to the 2022 Annual General Meeting of Shareholders (price between May 13, 2022 and May 24, 2022 which is equivalent to THB 0.69 per share)

8.3 Earnings per Share Dilution

None, since the Company's operating result is at loss.

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 No. 2/2022-23 | May 25, 2022 |
| 2. | The date for determining the names of shareholders entitled to attend the 2022 Annual General Meeting of Shareholders (Record Date) | June 13, 2022 |
| 3. | The 2022 Annual General Meeting of Shareholders | July 27, 2022 |
| 4. | Registration of capital increase and the amendment of the Memorandum of Association of the Company with the Department of the Business Development, the Ministry of Commerce | Within 14 days from the date of the shareholders' meeting's resolution of the capital increase |
| 5. | The date for determining the names of shareholders entitled to be allocated with the MACO-W3 Warrants (Record Date) | August 5, 2022 |
| 6. | Date of Issuance and Allocation of the MACO-W4 Warrants | September 5, 2022 |
| 7. | Listing the Warrants on the SET | Will be informed accordingly |

10. **pinion of Board of Directors**

1) Rationale and necessity of capital increase to accommodate the exercise of right under the MACO-W4 Warrants

To enhance financial flexibility for extension of business and be the working capital of the Company in the future. In this regard, the Company foresees that the issuance and allocation of the MACO-W4 Warrants to the existing shareholders in proportion to their respective shareholdings shall be one channel to raise fund, which can reduce the financial burden of the Company of the loan borrowing from the financial institution in the future.

2) Feasibility of utilizing plan of funds receiving from the exercises right under the MACO-W4 Warrants

In the event the entire warrants holder exercise the rights under the MACO-W4 Warrants in full, the Company will receive the money in the amount of approximately THB 2,029,493,030, which will enable the Company to have funding to expand the business, including reserve as working capital of the Company in the future, and result in the constant growth of the Company's operation.

3) Appropriation of the capital increase to accommodate the exercise of right under the MACO-W4 Warrants

The capital increase and the allocation of the MACO-W4 Warrants this time is reasonable and appropriate as this will increase the working capital of the Company in the future and reduce the loan borrowing to expand the business and/or investment in the future including strengthen the Company's financial position.

4) Effects to business operation, financial position and operating results of the Company

The Board of Directors have granted the opinions that the capital increases this time will increase the cash flow and liquidity of the Company. As a result, the Company will have fund to expand the business and/or investment including increase the working capital in the future which benefit the financial position and operating result of the Company and create opportunity to pay dividend to the shareholders of the Company including add value to the securities of the Company.

11. Certification of the Board of Directors

The Board of Directors certifies that in case the Board of Directors do not honestly perform their duty and carefully preserved the benefit of the Company in relation to the capital increase and such matters cause damage to the Company, the shareholders are entitled to claim for the damages from such directors on behalf of the Company pursuant to the Section 85 and other relevant Sections of the Securities and Exchanges Act B.E. 2535 (as amended), and in case that the directors or his/her related person obtain the unlawful benefit from such matters, the shareholders shall be entitled to claim for such benefit from such director on behalf of the Company pursuant to the Section 89/18 of the Securities and Exchanges Act B.E. 2535 (as amended).

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

Please be informed accordingly.

Your sincerely,
Master Ad Public Company Limited

(Mr. Warawut Natpradith)
Director

(Mr. Chaiyasit Puvapiromquan)
Director