

**Information Memorandum on the Issuance and Offering of Newly Issued Ordinary Shares to  
Private Placement and Existing Shareholders in Accordance with Their Shareholding  
Proportion of Asia Aviation Public Company Limited**

Board of Directors Meeting of Asia Aviation Public Company Limited (the “**Company**”) No. 6/2021, convened on 19 October 2021, has passed the resolution to propose to the Extraordinary General Meeting of Shareholders No. 1/2021 to consider approving the increase of the Company's registered capital from the original registered capital of THB 485,000,000 to the new registered capital of THB 1,285,000,000 by issuing new capital increase in ordinary shares in the amount of 8,000,000,000 shares with a par value of THB 0.10 per share to support (1) allocation of the newly-issued ordinary shares to private placement (“**PP**”), which the offering price is clearly set (2) allocation of newly issued ordinary shares to the existing shareholders in accordance with their shareholding proportions held by each shareholder (Rights Offering) (“**RO**”) and (3) allocation of newly issued ordinary shares to support the conversion of convertible bond (“**CB**”) which the Company will propose to the Extraordinary General Meeting of Shareholders No. 1/ 2021. The details are provided in the Invitation to the Extraordinary General Meeting of Shareholders No. 1/2021 and the Capital Increase Report Form (F 53-4) **Enclosure 3**.

The details of the issuance and offering of newly issued ordinary shares of the Company are as follows:

**1. Details of the Offering of New Shares**

**1.1. Allocation of Newly Issued Ordinary Shares to Private Placement (PP), which the offering price is clearly set, and this is an offering of shares at a low price.**

The Board of Directors Meeting resolved to propose to the Extraordinary General Meeting of Shareholders No. 1/2021 to consider approving the allocation of newly issued ordinary shares in the amount of not more than 5,028,571,429 shares with a par value of THB 0.10 per share to PP. The offering price is clearly set at the price of THB 1.75 per share and this is an offering of shares at a low price (which is the same price that the Company will offer newly issued ordinary shares to the existing shareholders of the Company in accordance with their shareholding proportions held by each shareholder (RO)). The details of private placement are as follows:

- |         |  |
|---------|--|
| 1. Name | AirAsia Aviation Limited (“ <b>AAA</b> ”)  |
| Address | Level 5(A), Main Office Tower, Financial Park<br>Labuan Complex, Jalan Merdeka, 87000 Federal<br>Territory of Labuan, Malaysia |

Nature of Business	<p>AAA is an investment company and is a 100 percent subsidiary of AirAsia Group Berhad (“AAGB”). AAA holds shares in companies operating airlines business under the brand “AirAsia” in many countries such as Indonesia, Philippines, and India and also currently holds 45 percent of Thai AirAsia’s shares, which is a subsidiary of the Company that operates the Air Asia Airline business in Thailand.</p>
Major Shareholder	AirAsia Group Berhad holds 100 percent of AAA’s shares.
Directors	<ol style="list-style-type: none"> <li>1. Mr. Tharumalingam a/l Kanagalingam</li> <li>2. Datuk Kamarudin bin Meranun</li> </ol>
Number of Allocated Shares	Not more than 4,457,142,857 shares, representing not more than 45.12 percent of the total issued shares after the capital increases by issuing and allocating ordinary shares to PP.
Duties of making a tender offer for securities	<p>AAA will have shareholding percentage in the Company representing not more than 45.12 percent of the total number of the Company’s issued and offered shares after the capital increases by issuing and allocating ordinary shares to PP, which makes AAA obliged to make a tender offer for all of the Company's securities pursuant to Notification of Capital Market Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (the “<b>Notification No. TorChor. 12/2554</b>”).</p> <p>However, AAA wishes to apply for a waiver from the requirement to make a tender offer for all securities of the Company by virtue of the resolution of the Shareholders' Meeting of the Company (Whitewash) with the Office of the</p>

Securities and Exchange Commission pursuant to the Notification of the Office of the Securities and Exchange Commission No. SorKor. 29/2561 Re: Rules for the Application for Waiver from the Requirement to Make Tender Offer for All Securities of the Business by Virtue of the Resolution of the Shareholders' Meeting of the Business. Th

e details are provided in **Enclosure 5 and 6.**

2. Name	Individual high-net-worth investor (Mr. Pitharn Ongkosit)
Occupation	Executive and Investor
Work experience and competence	An experienced and knowledgeable executive and investor who currently holds the position of Executive Chairman/Chief Executive Officer and Managing Director including being a major shareholder of KCE Electronics Public Company Limited, which is a listed company on the Stock Exchange of Thailand.
Number of Allocated Shares	Up to 362,049,116 shares, representing not more than 3.7 percent of the total issued and offered shares after the capital increases by issuing and allocating ordinary shares to PP.
Duties of making a tender offer for securities	Individual high-net-worth investor is not obliged to make a tender offer for all the Company's securities pursuant to the Notification No. TorChor. 12/2554 as holding only 3.7 percent of the total number of issued and offered shares after the capital increases by issuing and allocating ordinary shares to PP and no shareholding in the Company by related persons or concert party with the said individual high-net-worth investors.

3. Name Individual high-net-worth investor (Mr. Palin Lojanagosin)
- Occupation Executive and Investor
- Work experience and competence An experienced and knowledgeable executive and investor who currently holds the position of Director, Chairman of Executive Committee and Chief Executive Officer including being a major shareholder of Plan B Media Public Company Limited, which is a listed company on the Stock Exchange of Thailand.
- Number of Allocated Shares Up to 150,947,980 shares, representing not more than 1.5 percent of the total issued and sold shares after the capital increases by issuing and allocating ordinary shares to PP.
- Duties of making a tender offer for securities Individual high-net-worth investor is not obliged to make a tender offer for all the Company's securities pursuant to the Notification No. TorChor. 12/2554 as holding only 1.5 percent of the total number of issued and sold shares after the capital increases by issuing and allocating ordinary shares to PP and no shareholding in the Company by related persons or concert party with the said individual high-net-worth investors.
4. Name Individual High-net-worth investor (Mr. Bundit Pitaksit)
- Occupation Executive and Investor
- Work experience and competence An experienced and knowledgeable executive and investor who currently holds the position of Chairman of the Executive Committee of Isuzu Sanguan Thai Group, Chairman of Advisory Board of Siam Car Rent Co., Ltd. as well as an independent director, Chairman of the Risk Management and Sustainable Development Committee, Audit Committee and member of the Nomination and Remuneration Committee of Land and Houses Public Company Limited, which is a listed company on the Stock Exchange of Thailand.

Number of Allocated Shares	Up to 14,607,869 shares, representing not more than 0.1 percent of the total issued and sold shares after the capital increases by issuing and allocating ordinary shares to PP.
Duties of making a tender offer for securities	Individual high-net-worth investor is not obliged to make a tender offer for all the Company's securities pursuant to the Notification No. TorChor. 12/2554 as holding only 0.1 percent of the total number of issued and sold shares after the capital increases by issuing and allocating ordinary shares to PP and no shareholding in the Company by related persons or concert party with the said individual high-net-worth investors.
5. Name	Individual high-net-worth investor (Mrs. Piyaporn Vichitbandha)
Occupation	Executive and Investor
Work experience and competence	An experienced and knowledgeable executive and investor who currently holds the position of executive of the companies in Central Group.
Number of Allocated Shares	Up to 14,607,869 shares, representing not more than 0.1 percent of the total issued and sold shares after the capital increases by issuing and allocating ordinary shares to PP.
Duties of making a tender offer for securities	Individual high-net-worth investor is not obliged to make a tender offer for all the Company's securities pursuant to the Notification No. TorChor. 12/2554 as holding only 0.1 percent of the total number of issued and sold shares after the capital increases by issuing and allocating ordinary shares to PP and no shareholding in the Company by related persons or concert party with the said individual high-net-worth investor.

6. Name Individual high-net-worth investor (Mr. Suwaphon Suwaruchiporn)
- Occupation Executive and Investor
- Work experience and competence An experienced and knowledgeable executive and investor who currently holds the position of Director and Executive of Bangkok Synthetics Company Limited and shareholder of Metro Systems Corporation Public Company Limited, which is a listed company on the Stock Exchange of Thailand.
- Number of Allocated Shares Up to 14,607,869 shares, representing not more than 0.1 percent of the total issued and sold shares after the capital increases by issuing and allocating ordinary shares to PP.
- Duties of making a tender offer for securities Individual high-net-worth investor is not obliged to make a tender offer for all the Company's securities pursuant to the Notification No. TorChor. 12/2554 as holding only 0.1 percent of the total number of issued and sold shares after the capital increases by issuing and allocating ordinary shares to PP and no shareholding in the Company by related persons or concert party with the said individual high-net-worth investor.
7. Name Individual high-net-worth investor (Mr. Vorapote Amnueypol)
- Occupation Investor
- Work experience and competence An experienced and knowledgeable investor who currently being major shareholder of Sky ICT Public Company Limited, which is a listed company on the Stock Exchange of Thailand.
- Number of Allocated Shares Up to 14,607,869 shares, representing not more than 0.1 percent of the total issued and sold shares after the capital increases by issuing and allocating ordinary shares to PP.

Duties of making a tender offer for securities Individual high-net-worth investor is not obliged to make a tender offer for all the Company's securities pursuant to the Notification No. TorChor. 12/2554 as holding only 0.1 percent of the total number of issued and sold shares after the capital increases by issuing and allocating ordinary shares to PP and no shareholding in the Company by related persons or concert party with the said individual high-net-worth investor.

In this regard, 7 investors above (which are considered as private placement investors) and Convertible Bonds subscribers are not connected persons with the Company pursuant to the Notifications on Connected Transactions<sup>1</sup> because such investors are not a person who will be nominated as an executive or controlling person of the Company and are not a juristic person with a major shareholder or a controlling person who is nominated to be an executive or a controlling person of the Company. In addition, such investors do not have relationship to each other in accordance with Section 258 of the Securities and Exchange Act B.E. 2535 (1992) (and as amended) (the "**SEC Act**"), and 7 investors above and Convertible Bonds subscribers do not have any relationship to each other or behavior which is categorized as acting in concert under the Notification of the Capital Market Supervisory Board No. TorJor. 7/2009.

The Board of Directors has considered that the above-mentioned (which are considered as Private Placement) investors have stable financial status and potential to invest in the Company. AAA has knowledge, capability and experience that can help promote the operations and support the Company's business.

Shares offering price to PP at THB 1.75 is based on (a) the market price of the Company in the past 360 business days<sup>2</sup> equaling to THB 1.43 – 3.14 per share, calculated as the weighted average market price equaling to THB 2.38 per share. The offering price of THB 1.75 per share representing as a discount from the said market price of approximately 26.5 percent and (b) negotiations with the PP.

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<sup>1</sup> Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions (including any amendment thereto), and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003) (including any amendment thereto) (collectively, the "**Notifications on Connected Transactions**").

<sup>2</sup> From 17 April 2020 to 18 October 2021

However, the Company considers other additional factors in determining the offering price such as the urgent need to provide funds to enhance liquidity, and supporting operations in the period of 18-24 months, including the possibility of increasing fund to the existing shareholders in accordance with shareholding proportions (RO), which the Company set the price to be the same as the offering price to private placement in order not to be an undue burden on minority shareholders in the Covid-19 epidemic situation. In this regard, the offering price, that is determined by other methods such as P/E ratio, discounted cash flow, or book value, is unable to calculate because the Company still has a loss in operating results and Thai AirAsia's shareholders' equity is negative which Thai AirAsia is a subsidiary of the Company with an airline business (Operating company).

The said price is considered as an offering for sale of newly issued shares at a price lower than the market price that is less than 90 percent of the weighted average price of the Company's shares in the Stock Exchange of Thailand (the "SET") representing a discount of approximately 41 percent of the weighted average price of the Company's shares in the SET for past 15 business days (between 27 September 2021 and 18 October 2021) which is equal to THB 2.96 per share prior to the date of the Board of Directors' resolution to propose the agenda to the extraordinary general meeting of shareholders requesting approval for the Company to offer of capital increase shares by clearly stated offering price at this time. ***Please see Agenda 5.1 of the notice to shareholders for extraordinary general meeting (the "EGM Invitation Notice") for more information.***

**1.2. Allocation of newly issued ordinary shares to the existing shareholders in accordance with shareholding proportions held by each shareholder**

The allocation of newly issued ordinary shares in the amount of not more than 1,714,285,714 shares with a par value of THB 0.10 for offering to existing shareholders in accordance with shareholding proportions held by each shareholder (RO) with the share allocation ratio 5.7625 of original ordinary shares to 1 of newly issued ordinary shares. The offering price is THB 1.75 per share which fractions of shares shall be discarded.

An offering of shares to the existing shareholders of the Company will happen after the offering of newly issued ordinary shares to PP in Clause 1.1 above is completed. Therefore, the PP in Clause 1.1 above will be allocated the newly issued ordinary shares in proportion to the number of shares held by the PP in the Company as well as other existing shareholders of the Company.



As mentioned above, the offering price of the newly issued ordinary shares to the existing shareholders of the Company in accordance with shareholding proportions held by each shareholder (RO) will be the same as the offering price of the newly issued ordinary shares to PP in Clause 1.1 above, the Company has considered to determine such price based on the share market price (the details as explained in Clause 1.1 above) by specifying a discount of approximately 41.0 percent of the weighted average price of the Company's shares in the SET for the past 15 business days (between 27 September 2021 and 18 October 2021) equaling to THB 2.96 per share (information from SETSMART of the SET) prior to the date that the Board of Directors has a resolution to propose the agenda to the Extraordinary General Meeting of Shareholders requesting approval for the Company to offer newly issued shares to the existing shareholders of the Company in proportion of their shareholdings (RO).

Shareholders may subscribe to the newly issued ordinary shares in excess of their rights at the rate specified above (Oversubscription) which the existing shareholders who have oversubscribed will receive allocated oversubscribed shares only when there are remaining shares from the allocation to the existing shareholders of the Company that have been fully subscribed according to all the rights only.

In the allocation of newly issued ordinary shares to the existing shareholders of the Company according to the proportion of shareholding (RO) at this time, in the event that there are shares remaining from the allocation to the existing shareholders of the Company according to the proportion of shareholding in the first round, the Company will allocate the remaining newly issued ordinary shares to the existing shareholders wishing to subscribe for more than their rights (Oversubscription) in proportion to their existing shareholding at the same price as the shares allotted according to their rights. This includes existing shareholders, who wish to subscribe for more than their rights in proportion to their shareholding as connected persons of the Company. The details are as follows:

- A. In case there are shares remaining from the allocation to the existing shareholders of the Company, which is according to the RO in the first round, more than or equal to the shares that the existing shareholders subscribe for in excess of the right according to the proportion of shareholding, the Company will allocate the remaining shares to those who subscribe for more than the rights and pay all subscription fees for all said shares according to the number of intention to subscribe for more than rights;

B. In the case that there are shares remaining from the allocation to the existing shareholders of the Company according to the proportion of shareholding (RO) in the first round is less than the shares that the existing shareholders subscribe for more than the right according to the proportion of shareholding, the Company will allocate the remaining shares to those who subscribe for more than the rights according to the following procedures.

- (1) Allocated according to the original shareholding proportion of each subscriber in excess of the right by multiplying the existing shareholding proportion of the subscriber exceeding each right by the number of remaining shares, it will be the number of shares that each subscriber in excess of the right to be allocated. In the event that there are fractions of shares, rounding those shares shall be discarded. However, the number of shares to be allocated shall not exceed the number of shares subscribed and paid for by each shareholder.
- (2) In the event that the shares still remaining after the allocation under Clause (B)(1), the allocation shall be made to each subscriber that exceeds the rights and has not been fully allocated in proportion to the original shareholding of those who subscribe for more than each right by multiplying the existing shareholding of each subscriber that exceeds each of the rights by the number of remaining shares, it will be the number of shares that the subscriber exceeds each of the rights to be allocated. In the event that there are fractions of shares, rounding off those shares shall be discarded. The number of shares to be allocated will not exceed the number of shares that each shareholder has already subscribed and paid for the subscription price. In this regard, the allocation of shares to the oversubscribing persons shall be carried out in accordance with the procedure under this article until there are no remaining shares from the allocation or unable to allocate.

If any shares remain after the allocation to existing shareholders, the Company will not distribute them to anyone else and will write down the remaining capital increase shares in their entirety.

In this regard, the Company may not be able to allocate capital increase shares, RO, to any shareholders of the Company if such allocation will cause the shareholding of the Company's shareholders

to not be in accordance with the Company's Articles of Association (amendment version) which specifies the shareholders' qualifications of the Company to be in accordance with Air Navigation Act B.E. 2497 (1954) and its amendments including the relevant secondary laws ("Air Navigation Act"). However, in order to allocate capital increase shares, RO, to the Company's shareholders that is in line with Section 33 (3) of the Securities and Exchange Act B.E. 2535 (1992), the Company will request the shareholders to notify their intention to waive such rights not to be received the allotment of RO shares if such allocation would result in the shareholding proportion of the Company's shareholders being in violation of the Company's Articles of Association (amendment version) which has specified the qualifications of the shareholders of the Company pursuant to the Air Navigation Act and in the event that there are more than one shareholders who wish to waive their rights, the Company will not allocate RO capital increase shares (according to the shareholders' intention to waive their rights), to such shareholders in proportion to their shares subscriptions.

In the Subscription Form of the Company's Newly Issued Shares, the Company will specify the terms of the waiver (the allocation of RO capital increase shares will be waived if such allocation would result in the shareholding proportion of the Company's shareholders being contrary to the Company's Articles of Association (amended version) so that the shareholding proportion of the Company's shareholders complies with the Company's Articles of Association (amended version).

*Please refer to Agenda 5.2 of the EGM Invitation Notice for additional information.*

**1.3. Allocation of newly issued ordinary shares to support the conversion of convertible bonds**

Allotment of newly issued ordinary shares in the amount of not more than 1,257,142,857 shares with a par value of THB 0.10 per share to 2 PP, which are Bangkok Bank Public Company Limited and North Haven Thai Private Equity, L.P ("NHTPE") in order to support the conversion of convertible bonds.

The two investors in the convertible bonds (which are Bangkok Bank Public Company Limited and NHTPE) are not persons under Section 258 of the Securities Act of any other investors (whether the subscriber of the capital increase shares at this time and/or subscriber of convertible bonds at this time) and no shareholding in the Company by related persons and concert party with other investors.

*Please refer to Agendas 3 and 5.3 of the EGM Invitation Notice for more information*

## **2. Objectives of the issuance of capital increase shares, convertible bonds and fund utilization plan**

The issuance and offering of newly issued ordinary shares and convertible bonds are in accordance with shareholding restructuring plan of the Company and Thai AirAsia. The main objective is to raise funds to increase the business's liquidity of the Company and Thai AirAsia and to increase the shareholding in Thai AirAsia to 100 percent by dividing the process of increasing the proportion in Thai AirAsia into 2 steps as follows:

1. Increased capital in Thai AirAsia in the amount of THB 3,900 million in order to increase its shareholding in Thai AirAsia from 55.0 percent to 69.2 percent and to allow Thai AirAsia to use the capital increase to repay the outstanding debt of Thai AirAsia with amount of THB 3,900 million<sup>3</sup>.

The money that the Company using to raise capital in Thai AirAsia will come from loans from financial institutions.

2. To purchase all the remaining shares of Thai AirAsia which is 30.8 percent for the Company to own almost all shares in Thai AirAsia.

In this regard, the money that the Company will use to buy the remaining shares in Thai AirAsia will come from capital increase receiving from new investors (new subscriber and convertible bonds subscriber), AirAsia Aviation Limited (“AAA”)<sup>4</sup> (which will change to hold shares in the Company instead of holding shares in Thai AirAsia), and the Company's existing shareholders

Such shareholding restructuring plan of the Company and Thai AirAsia is able to raise funds from new investors (new subscriber and convertible bonds subscriber), AAA, and the existing shareholders of the Company. After the Company uses the remaining money

<sup>3</sup> Currently, Thai AirAsia has outstanding liabilities with AirAsia Group Berhad (“AAGB”), a major shareholder of AirAsia Aviation Limited (“AAA”), totaling approximately of THB 4,182 million (information as of 30 June 2021). Money receiving from the shareholding restructuring plan of the Company and Thai AirAsia, Thai AirAsia will use it to pay off such outstanding debt of THB 3,900 million.

<sup>4</sup> The former name of AAA was AirAsia Investment Limited.

from capital increase and the issuance of convertible bond for paying off loans from financial institutions and the purchase of remaining shares in Thai AirAsia, the Company is still able to reserve a portion of the funds as liquidity for Thai AirAsia to increase its capital and/or borrow further.

The said shareholding restructuring plan of the Company and Thai AirAsia has already negotiated and agreed upon by new investors (new subscriber and convertible bonds subscriber) and existing shareholder of Thai AirAsia<sup>5</sup> and the main creditor of Thai AirAsia<sup>6</sup>.

If the company does not proceed in accordance with the above shareholding restructuring plan of the Company and Thai AirAsia, new investors (new subscriber and convertible bonds subscriber) and existing shareholder of Thai AirAsia are not willing to subscribe for the Company's newly issued shares and convertible bonds and the Company may not receive financial assistance to solve the liquidity problem of the Company.

#### **Benefits of the shareholding restructuring plan of the Company and Thai AirAsia towards the Company and Thai AirAsia**

- After the restructuring, the Company will own almost all of the shares in Thai AirAsia, resulting in favorable results for the Company in terms of the consolidated financial statements of the Company as follows:
  - If the COVID-19 epidemic situation improves and travel and tourism return to normal, Thai AirAsia's operating results are expected to grow. The company will be able to fully recognize the said operating results, that is, from 55 percent to 100 percent. However, as the Company will own a 100 percent shares in Thai AirAsia, the Company will also be affected by all financial of Thai AirAsia, if the performance of Thai AirAsia does not meet the target.
  - Equity of the Company's shareholders increase of approximately THB 14,000 million (as of 30 June 2021, the equity of the Company's shareholders equal to THB 10,820 million) from the consolidation of non-controlling interests in subsidiaries, from an increase in paid-up capital, and share premium from the issuance and offering of newly issued ordinary shares of THB 11,8000 million and from the conversion of convertible bonds of THB 2,200 million.

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<sup>5</sup> AAA

<sup>6</sup> AAGB's group of companies, which are trade accounts payable.

- Thai AirAsia is able to reduce a large amount of debt (THB 3,900 million), thereby reducing the pressure of debt burden and reducing the risk of entering the rehabilitation process like other airlines.
- The Company will have remaining liquidity from the capital increase (new shares and convertible bonds) at this time with the amount of THB 6,200 million, which the Company will consider increasing the capital in Thai AirAsia and/or lending to Thai AirAsia to repay the long-term bonds that will be due in April and May 2022 and June 2023 where the principal amount of 2,800 million baht, as well as interest at the normal rate of each bond tranche will be settled and/or will be used to fund business operations, which includes aviation-related expenses such as aircraft rental, fuel costs, airport and apron charges, and employee compensation etc., and the Company anticipates that the amount will be sufficient to operate the business for the next 18-24 months.

The above-mentioned plan of the Company is consistent with the Company's current business plan and expense assessment, and it is best estimation of allocation of the proceeds from the offering of such securities. However, the Company's future plans and actual expenses may differ depending on the recovery of the aviation industry and tourism which may fluctuate from the epidemic or the cost of fuel, etc. Therefore, the actual utility of funds may differ from the plans stated above. Nonetheless, the Company will allocate the proceeds to be sufficient for the period mentioned above by its best effort.

In addition, this capital increase will result in the liabilities of the Company and Thai AirAsia decreasing of THB 3,900 million as Thai AirAsia will repay various trade debts to the group of Company of AAGB, which is a major shareholder of AAA including resulting in the shareholders' equity of the Company and Thai AirAsia increased by approximately THB 14,000 million (as of 30 June 2021, the Company's equity was equal to THB 10,820 million), resulting in a decrease in the debt to equity ratio. **(Please consider the details in clause 4.6 of this document).**

**Summary of the fund's utilization plan in accordance with the shareholding restructuring plan of the Company and Thai AirAsia.**

Source of funds	Fund's utilization plan
(a) Loan from financial institutions with the amount of THB 3,900 million.	Paid as capital increase in Thai AirAsia totaling THB 3,900 million (THB 193.88 per share capital increase) to increase the shareholding of the Company in Thai AirAsia from 55.0 percent to 69.2 percent.  Thai AirAsia plans to use the said capital increase to pay off outstanding liabilities of THB 3,900 million <sup>7</sup> by 2021.

<sup>7</sup> AAA's group of companies, which are trade accounts payable.

Source of funds	Fund's utilization plan
(b) Capital increase from the issuance of new shares to investors which are 6 individuals and AAA with the amount of THB 8,800 million.	<p>The Company will use for paying off loans from financial institutions with the amount of THB 3,900 million plus interest within 2021.</p> <p>The rest will be used to pay for the purchase of the remaining shares in Thai AirAsia, which is 30.8 percent, amounting to THB 3,900 million and used as working capital of Thai AirAsia.</p>
(c) Funds from the issuance of convertible bonds to Bangkok Bank Public Company Limited and North Haven Thai Private Equity, L.P. totaling THB 2,200 million.	<p>When combined with the remaining money from (b) above, the Company will pay for the remaining of 30.8 percent share purchase in Thai AirAsia, amounting to THB 3,900 million within the first quarter of the year 2022.</p> <p>The rest will be used as working capital of Thai AirAsia</p>
(d) Capital increase from the issuance of new shares to each shareholder in proportion to the total amount of THB 3,000 million.	The Company will use as working capital of Thai AirAsia.
(e) the remaining money from (b) (c) and the capital increase under (d).	<p>The remaining approximately of THB 6,200 million (subject to change after deducting various expenses from related operations) will be used to raise capital in Thai AirAsia and/or lend to Thai AirAsia for it to repay the long-term bonds that will be due in April and May 2022 and June 2023 where the principal amount of 2,800 million baht, as well as interest at the normal rate of each bond tranche will be settled and/or will be used to fund business operations, which includes aviation-related expenses such as aircraft rental, fuel costs, airport services and airport parking charges, and employee compensation etc., and the Company anticipates that the amount will be sufficient to operate the business for the next 18-24 months.</p>

Source of funds	Fund's utilization plan
	The above-mentioned plan of the Company is consistent with the Company's current business plan and expense assessment, and it is best estimation of allocation of the proceeds from the offering of such securities. However, the Company's future plans and actual expenses may differ depending on the recovery of the aviation industry and tourism which may fluctuate from the epidemic or the cost of fuel, etc. Therefore, the actual utility of funds may differ from the plans stated above. Nonetheless, the Company will allocate the proceeds to be sufficient for the period mentioned above by its best effort.

*Please refer to Agendas 3 and 5.3 of the EGM Invitation Notice for more information*

### 3. The effect on shareholders from the sale of capital increase shares

The number of shares issued and offered for sale of newly issued ordinary shares and convertible bonds to PP. The detail of the process is as follows:

List of investors	After the offering of newly issued ordinary shares to a private placement		After the offering of newly issued ordinary shares to the existing shareholders in proportion*		After the conversion of convertible bonds in full amount to ordinary shares	
	Number of shares (shares)	Shareholding percentage (percent)	Number of shares (shares)	Shareholding percentage (percent)	Number of shares (shares)	Shareholding percentage (percent)
AAA	4,457,142,857	45.12	5,230,616,671	45.12	5,230,616,671	40.71
Mr. Pitharn Ongkosit	362,049,116	3.7	424,877,596	3.7	424,877,596	3.3
Mr. Palin Lojanagosin	150,947,980	1.5	177,142,857	1.5	177,142,857	1.4
Mr. Bundit Pitaksit	14,607,869	0.1	17,142,857	0.1	17,142,857	0.1
Mrs. Piyaporn Vichitbandha	14,607,869	0.1	17,142,857	0.1	17,142,857	0.1
Mr. Suwaphon Suwaruchiporn	14,607,869	0.1	17,142,857	0.1	17,142,857	0.1
Mr. Vorapote Amnueypol	14,607,869	0.1	17,142,857	0.1	17,142,857	0.1
Bangkok Bank Public Company Limited	-	-	-	-	685,714,285	5.3
NHTPE	-	-	-	-	571,428,572	4.4

\* The number of shares and shareholding proportion based on the assumption that all shareholders of the Company, including investors who are private placements, subscribe for new shares in proportion to their shareholding.



In this regard, all three situations with respect to the effect from 1) the allocation of the newly issued ordinary shares to PP 2) the allocation of newly issued ordinary shares in proportion to their shareholding and 3) the issuance of newly issued ordinary shares from the conversion of convertible bonds which is offered for sale to PP (collectively referred to as the “**Capital Increase**”), the offering prices of which are clearly set, can be elaborated in detail as follows.

### 3.1 Price Dilution

- After the capital increase by issuing and offering newly issued ordinary shares to PP shareholders will be affected by Price Dilution approximately 20.9 percent. The calculation details are as follows:

$$\begin{aligned}
 &= \frac{\text{Market price before offering} - \text{Market price after offering}}{\text{Market price before offering}} \\
 &= \frac{2.96 - 2.35}{2.96} \\
 &= 20.9 \text{ percent}
 \end{aligned}$$

Where the market price after the offering to sell the newly issued ordinary shares to PP is equal to

$$\begin{aligned}
 &= \frac{(\text{Market price} \times \text{Number of paid-up shares}) + (\text{Offering price of PP shares} \times \text{Number of shares offered for sale PP})}{\text{Number of paid-up shares} + \text{Number of shares offered for sale PP}} \\
 &= \frac{(2.96 \times 4,850,000,000) + (1.75 \times 5,028,571,429)}{4,850,000,000 + 5,028,571,429} \\
 &= 2.35
 \end{aligned}$$

- After the capital increase by issuing and offering newly issued ordinary shares to PP and to the existing shareholders in proportion to their shareholding (RO), in the case that the shareholders do not exercise the right to increase the capital in proportion to their shareholding, shareholders will be affected by Price Dilution approximately of 23.8 percent. The calculation details are as follows:

$$\begin{aligned}
 &= \frac{\text{Market price before offering} - \text{Market price after offering}}{\text{Market price before offering}} \\
 &= \frac{2.96 - 2.26}{2.96} \\
 &= 23.8 \text{ percent}
 \end{aligned}$$

Where the market price after the offering to sell the newly issued ordinary shares to PP and existing shareholders in proportion to their shareholding is equal to

$$\begin{aligned}
 &= \frac{(\text{Market price} \times \text{Number of paid-up shares}) + (\text{Offering price of PP shares} \times \text{Number of shares offered for sale PP}) + (\text{Offering price of RO shares} \times \text{Number of shares offered for sale RO})}{\text{Number of paid-up shares} + \text{Number of shares offered for sale PP} + \text{Number of shares offered for sale RO}} \\
 &= \frac{(2.96 \times 4,850,000,000) + (1.75 \times 5,028,571,429) + (1.75 \times 1,714,285,714)}{4,850,000,000 + 5,028,571,429 + 1,714,285,714} \\
 &= 2.26
 \end{aligned}$$

- After the capital increase, in the case that all the shareholders have subscribed for the newly issued shares in proportion to their shareholding, the shareholders will be affected by Price Dilution approximately 25.5 percent.

The calculation details are as follows:

$$\begin{aligned}
 &= \frac{\text{Market price before offering} - \text{Market price after offering}}{\text{Market price before offering}} \\
 &= \frac{2.96 - 2.21}{2.96} \\
 &= 25.5 \text{ percent}
 \end{aligned}$$

Where the market price after the offering of the capital increase is equal to

$$\begin{aligned}
 &= \frac{(\text{Market price} \times \text{Number of paid-up shares}) + (\text{Offering price of PP shares} \times \text{Number of shares offered for sale PP}) + (\text{Offering price of RO shares} \times \text{Number of shares offered for sale RO}) + (\text{Exercise price of CB conversion} \times \text{Number of ordinary shares to support CB conversion})}{\text{Number of paid-up shares} + \text{Number of shares offered for sale PP} + \text{Number of shares offered for sale RO} + \text{Number of ordinary shares to support CB conversion}} \\
 &= \frac{(2.96 \times 4,850,000,000) + (1.75 \times 5,028,571,429) + (1.75 \times 1,714,285,714) + (1.75 \times 1,257,142,857)}{4,850,000,000 + 5,028,571,429 + 1,714,285,714 + 1,257,142,857} \\
 &= 2.21
 \end{aligned}$$

Remark: Market price is equal to the weighted average market price of the Company for the past 15 business days prior to the date of this Board of Directors Meeting (that is, between 27 September 2021 – 18 October 2021) which is equal to THB 2.96 (Data from SETSMART of the SET).

### 3.2 The effect on shareholding proportion (Control Dilution)

- After the capital increase by issuing and offering newly issued ordinary shares to PP, the voting rights of the Company's shareholders (Control Dilution) will be affected approximately 50.9 percent. The calculation details are as follows:

$$\begin{aligned}
 &= \frac{\text{Number of shares offered for sale PP}}{\text{Number of paid-up shares} + \text{Number of shares offered for sale PP}} \\
 &= \frac{5,028,571,429}{4,850,000,000 + 5,028,571,429} \\
 &= 50.9 \text{ percent}
 \end{aligned}$$

- After the capital increase by issuing and offering newly issued ordinary shares to PP and to the existing shareholders in proportion to their shareholding (RO), in the case that the shareholders do not exercise the right to increase the capital in proportion to their shareholding, the voting rights of the Company's shareholders (Control Dilution) will be affected approximately 58.2 percent. The calculation details are as follows:

$$\begin{aligned}
&= \frac{\text{Number of shares offered for sale PP} + \text{Number of shares offered for sale RO}}{\text{Number of paid-up shares} + \text{Number of shares offered for sale PP} + \text{Number of shares offered for sale RO}} \\
&= \frac{5,028,571,429 + 1,714,285,714}{4,850,000,000 + 5,028,571,429 + 1,714,285,714} \\
&= 58.2 \text{ percent}
\end{aligned}$$

- After the capital increase, in the case that the shareholders do not exercise the right to increase the capital in proportion to their shareholding, the voting rights of the Company's shareholders (Control Dilution) will be affected approximately 62.3 percent. The calculation details are as follows:

$$\begin{aligned}
&= \frac{\text{Number of shares offered for sale PP} + \text{Number of shares offered for sale RO} + \text{Number of ordinary shares to support CB conversion}}{\text{Number of paid-up shares} + \text{Number of shares offered for sale PP} + \text{Number of shares offered for sale RO} + \text{Number of ordinary shares to support CB conversion}} \\
&= \frac{5,028,571,429 + 1,714,285,714 + 1,257,142,857}{4,850,000,000 + 5,028,571,429 + 1,714,285,714 + 1,257,142,857} \\
&= 62.3 \text{ percent}
\end{aligned}$$

### 3.3 The effect on earnings / (losses) per share dilution

After capital increase by issuing and offering newly issued ordinary shares to PP, shareholders will be affected by the earnings / (losses) per share dilution with the approximately of 50.9 percent. The calculation details are as follows:

$$\begin{aligned}
&= \frac{\text{EPS before offering} - \text{EPS after offering}}{\text{EPS before offering}}
\end{aligned}$$

Where EPS before offering

$$\begin{aligned}
&= \frac{\text{Net profit / (losses)}}{\text{Number of paid-up shares}} \\
&= \frac{(6,507,746,318)}{4,850,000,000} \\
&= \text{THB (1.34) per share}
\end{aligned}$$

Where EPS after offering

$$\begin{aligned}
 &= \frac{\text{Net profit / (losses)}}{\text{Number of paid-up shares + Number of shares offered for sale PP}} \\
 &= \frac{(6,507,746,318)}{4,850,000,000 + 5,028,571,429} \\
 &= \text{THB (0.66) per share}
 \end{aligned}$$

EPS Dilution

$$\begin{aligned}
 &= \frac{(1.34) - (0.66)}{(1.34)} \\
 &= 50.9 \text{ percent}
 \end{aligned}$$

- After capital increase by issuing and offering newly issued ordinary shares to PP and existing shareholders in proportion to their shareholding (RO), in the case that the shareholders do not exercise the right to increase the capital in proportion to their shareholding, shareholders will be affected by the earnings / (losses) per share dilution with the approximately of 58.2 percent. The calculation details are as follows:

$$\begin{aligned}
 &= \frac{\text{EPS before offering} - \text{EPS after offering}}{\text{EPS before offering}}
 \end{aligned}$$

Where EPS before offering

$$\begin{aligned}
 &= \frac{\text{Net profit / (losses)}}{\text{Number of paid-up shares}} \\
 &= \frac{(6,507,746,318)}{4,850,000,000} \\
 &= \text{THB (1.34) per share}
 \end{aligned}$$

Where EPS after offering

$$\begin{aligned}
 &= \frac{\text{Net profit / (losses)}}{\text{Number of paid-up shares + Number of shares offered for sale PP + Number of shares offered for sale RO}}
 \end{aligned}$$

$$= \frac{(6,507,746,318)}{4,850,000,000 + 5,028,571,429 + 1,714,285,714}$$

$$= \text{THB (0.56) per share}$$

## EPS Dilution

$$= \frac{(1.34) - (0.56)}{(1.34)}$$

$$= 58.2 \text{ percent}$$

- After capital increase, in the case that the shareholders do not exercise the right to increase the capital in proportion to their shareholding, shareholders will be affected by the earnings / (losses) per share dilution with the approximately of 62.3 percent. The calculation details are as follows:

$$= \frac{\text{EPS before offering} - \text{EPS after offering}}{\text{EPS before offering}}$$

## Where EPS before offering

$$= \frac{\text{Net profit / (losses)}}{\text{Number of paid-up shares}}$$

$$= \frac{(6,507,746,318)}{4,850,000,000}$$

$$= \text{THB (1.34) per share}$$

## Where EPS after offering

$$= \frac{\text{Net profit / (losses)}}{\text{Number of paid-up shares} + \text{Number of shares offered for sale PP} + \text{Number of shares offered for sale RO} + \text{Number of ordinary shares to support CB conversion}}$$

$$= \frac{(6,507,746,318)}{4,850,000,000 + 5,028,571,429 + 1,714,285,714 + 1,257,142,857}$$

$$= \text{THB (0.51) per share}$$

## EPS Dilution

$$= (1.34) - (0.51)$$

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$$(1.34)$$

$$= 62.3 \text{ percent}$$

Remark: Net profit for the past 12 months from the third quarter of the year 2020 to the second quarter of the year 2021

#### 4. The opinion of the Board of Directors on Capital increase

##### 4.1 Reasons and necessity of the capital increase

This capital increase is part of the shareholding restructuring plan of the Company and Thai AirAsia. The main objective is to raise funds to improve the business's liquidity of the Company and Thai AirAsia and to increase the shareholding in Thai AirAsia to 100 percent by dividing the process of increasing the proportion in Thai AirAsia into 2 steps as follows:

1. Increased capital in Thai AirAsia in the amount of THB 3,900 million in order to increase its shareholding in Thai AirAsia from 55.0 percent to 69.2 percent and to allow Thai AirAsia to use the capital increase to repay the outstanding debt of Thai AirAsia with amount of THB 3,900 million<sup>8</sup>.

The money that the Company using to raise capital in Thai AirAsia will come from loans from financial institutions.

2. To purchase all the remaining shares of Thai AirAsia which is 30.8 percent for the Company to owns almost all shares in Thai AirAsia.

In this regard, the money that the Company will use to buy the remaining shares in Thai AirAsia will come from capital increase receiving from new investors (new subscriber and convertible bonds subscriber), AirAsia Aviation Limited (“AAA”)<sup>9</sup> which will change to hold shares in the Company instead of holding shares in Thai AirAsia, and the Company's existing shareholders.

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<sup>8</sup> Currently, Thai AirAsia has outstanding liabilities with AirAsia Group Berhad (“AAGB”), a major shareholder of AirAsia Aviation Limited (“AAA”), totaling approximately of THB 4,182 million (information as of 30 June 2021).

<sup>9</sup> The former name of AAA was AirAsia Investment Limited.

Such shareholding restructuring plan of the Company and Thai AirAsia is able to raise funds from new investors (new subscriber and convertible bonds subscriber), AAA, and the existing shareholders of the Company. After the Company uses the remaining money from capital increase and the issuance of convertible bond for paying off loans from financial institutions and the purchase of remaining shares in Thai AirAsia, the Company is still able to reserve a portion of the funds as liquidity for Thai AirAsia to increase its capital and/or borrow further.

The said shareholding restructuring plan of the Company and Thai AirAsia has already been negotiated and agreed upon by new investors (new subscriber and convertible bonds subscriber) and existing shareholder of Thai AirAsia<sup>10</sup> and the main creditor of Thai AirAsia<sup>11</sup>.

If the company does not proceed in accordance with the above shareholding restructuring plan of the Company and Thai AirAsia, new investors (new subscriber and convertible bonds subscriber) and existing shareholder of Thai AirAsia are not willing to subscribe for the Company's newly issued shares and convertible bonds and the Company may not receive financial assistance to solve the liquidity problem of the Company.

**Benefits of the shareholding restructuring plan of the Company and Thai AirAsia towards the Company and Thai AirAsia**

- After the restructuring, the Company will own almost all of the shares in Thai AirAsia which cause good results for the Company in terms of the consolidated financial statements of the Company as follows:
  - If the COVID-19 epidemic situation improves and travel and tourism return to normal, Thai AirAsia's operating results are expected to grow. The company will be able to fully recognize the said operating results, that is, from 55 percent to 100 percent. However, as the Company will own a 100 percent shares in Thai AirAsia, the Company will also be affected by all financial of Thai AirAsia. if the performance of Thai AirAsia does not meet the target.
  - Equity of the Company's shareholders increase of approximately THB 14,000 million (as of 30 June 2021, the equity of the Company's shareholders equal to THB 10,820 million) from the consolidation of non-controlling interests in subsidiaries, from an increase in paid-up capital, and share premium from the issuance and offering of newly issued ordinary shares and from the conversion of convertible bonds.

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<sup>10</sup> AAA

<sup>11</sup> AAGB's group of companies, which are trade accounts payable.



- Thai AirAsia is able to reduce a large amount of debt (THB 3,900 million), thereby reducing the pressure of debt burden and reducing the risk of entering the rehabilitation process like other airlines.
- The Company will have remaining liquidity from the capital increase (new shares and convertible bonds) at this time with the amount of THB 6,200 million, which the Company will consider increasing the capital in Thai AirAsia and/or lending to Thai AirAsia after the Company being a 100 percent shareholder in Thai AirAsia to to repay the long-term bonds that will be due in April and May 2022 and June 2023 where the principal amount of 2,800 million baht, as well as interest at the normal rate of each bond tranche will be settled and/or will be used to fund business operations, which includes aviation-related expenses such as aircraft rental, fuel costs, airport services and airport parking charges, and employee compensation etc., and the Company anticipates that the amount will be sufficient to operate the business for the next 18-24 months.

The above-mentioned plan of the Company is consistent with the Company's current business plan and expense assessment, and it is best estimation of allocation of the proceeds from the offering of such securities. However, the Company's future plans and actual expenses may differ depending on the recovery of the aviation industry and tourism which may fluctuate from the epidemic or the cost of fuel, etc. Therefore, the actual utility of funds may differ from the plans stated above. Nonetheless, the Company will allocate the proceeds to be sufficient for the period mentioned above by its best effort.

The Board of Directors have an opinion that the Company is necessary to increase the registered capital by issuing new ordinary shares, and convertible bond for sale to PP and the existing shareholders proportionate to their shareholding proportion because the Company is lack of liquidity from the Corona Virus (Covid-19) epidemic situation for a long period of time, adjusting the shareholding structure in Thai AirAsia so that the Company can own all shares in Thai AirAsia, and investors who will come to invest in new shares and convertible bonds of the Company is a person with potential in capital, having a stable financial position, and having readiness to pay the capital increase. This fundraising is appropriate and consistent with the objectives of this capital increase which will make the Company get the required amount of funds in a short period of time and can reduce the risk of funding that may arise from the current economic uncertainty and volatility. The Company is required to allocate capital increase shares and convertible bonds for the purposes stated in Clause 2 above.

#### **4.2 The possibility of funds utilization plan from the offering of shares**

The Company expects that the shareholding restructuring plan of the Company and Thai AirAsia will be completed at the latest not later than the first quarter of the year 2022 and the Company expects the shareholding restructuring plan of the Company and Thai AirAsia will be well accepted by financial institutions and investors. In this regard, the Board of Directors opine that the Company can proceed in accordance with the funds' utilization plan as prescribed and the amount of money receiving from the restructuring is sufficient pursuant to the funds' utilization plan as specified in Clause 2, the summary of the fund's utilization plan in accordance with the shareholding restructuring plan of the Company and Thai AirAsia.

#### **4.3 The reasonableness of the capital increase, funds utilization plan from the share offering, and the project that will be implemented including the adequacy of the funding source in the event that the funds from the shares offering do not cover the entire budget required for the implementation of such plans or projects.**

The Board of Directors have an opinion that the issuance and offering of the capital increase shares and convertible bond to PP and shareholders in proportion to their respective shareholdings is appropriate, reasonable, and the best benefit of the Company and all shareholders as detailed in Clause 4.1 above and Agendas 2,3 and 5 of the EGM Invitation Notice

This capital increase, allocation of capital increase shares, and convertible bond will help the Company be able to raise funds within a short period of time and reduce the investment burden of some shareholders in the capital increase. In addition, if potential investors respond positively to the capital increase, this will build confidence to the existing shareholders of the success of the capital increase resulting in the Company to be able to increase capital as targeted, to enhance opportunities for the Company and to increase the competitiveness and business development of the Company to be able to grow stably and sustainably.

In this regard, if the Company is able to sell all of the newly issued ordinary shares and convertible bonds, the Company will receive the fund from an offering for sale of the newly issued ordinary shares and convertible bonds to PP with the approximate amount of THB 11,000 million and money from the offering of shares to the existing shareholders in proportion to their respective shareholdings (RO) approximately THB 3,000 million, totaling funds received from this offering of new shares and convertible bonds approximately THB 14,000 million.

The Company believes that the money received from this fundraising will be sufficient for the shareholding restructuring plan of the Company and Thai AirAsia including Thai AirAsia's debt restructuring plan and funds utilization as prescribed in Clause 2. This will make the Company's group have sufficient working capital to support the airline business in the future after the domestic tourism situation begins to return to normal.

#### **4.4 Rationale and necessity to allocate shares to investors, which is an offering to PP by clearly determining the offering price**

The Board of Directors has considered that AAA has knowledge, capability, and experience in operating the airline business that will help promote the operations and support the Company's business. AAA is a subsidiary in which AAGB holds 100 percent. AAGB is a listed company on the Bursa Stock Exchange which is the stock exchange of Malaysia and AAA also holds shares in airline business company under the brand "AirAsia" in many countries such as Indonesia, Philippines, India, as well as in Thailand.

The Board of Directors has considered that 6 individual high-net-worth investors are investors with financial potential. They are businessmen, executives, and investors in various companies listed on the SET as well as being investors who see growth opportunity of the Company and Thai AirAsia that will be recovered after the COVID-19 situation is better. This will be beneficial to the Company in obtaining financial support for using in business operations and will build confidence for the existing shareholders of the Company including enhancing the image of the Company.

In addition, for the allocation of newly issued ordinary shares to accommodate the conversion of convertible bonds, the Board of Directors considered that Bangkok Bank Public Company Limited, a leading financial institution in Thailand, and NHTPE, a private equity fund focusing on investments in Thailand and the ASEAN region managing investors' funds from around the world under the management of Morgan Stanley Private Equity Asia. Both investors are potential investors in the capital field and able to invest in the Company as well as being investors who see the growth opportunity of the Company and Thai AirAsia that will be recovered after the COVID-19 situation is better. This will be beneficial to the Company in obtaining financial support for using in business operations and will build confidence for the existing shareholders of the Company including enhancing the image of the Company.

In this regard, the offering price of THB 1.75 per share is based on the market price of the Company's shares for the past 360 business days<sup>12</sup> equaling to THB 1.43 – 3.14 per share with the negotiations with PP who wish to invest in the Company's ordinary shares and convertible bond. The share price in the past 360 business days is calculated as the weighted average market price equaling to THB 2.38 per share. The offering price of THB 1.75 per share representing as a discount from the said market price of approximately 26.5 percent. However, the Company considers other additional factors in determining the offering price such as the urgent need to provide funds to enhance liquidity, and supporting operations in the period of 18-24 months, including the possibility of increasing fund to the existing shareholders in accordance with shareholding proportions (RO), which the Company set the price to be the same price as the offering price to private placement in order not to be an undue burden on minority shareholders in the Covid-19 epidemic situation. In this regard, the offering price, that is determined by other methods such as P/E ratio, discounted cash flow, or book value, is unable to calculate because the Company still has a loss in operating results and Thai AirAsia's shareholders' equity is negative

Allocation of the Company's capital increase shares and convertible bond to PP has additional reasons as follows:

- A. The process of allocation of capital increase shares of the Company and convertible bond to PP with clear determining of the offering price will enable the Company to successfully increase its capital and fast enough to be able to support the Company's fund utilization plan in the shareholding restructuring of the Company and Thai AirAsia and repayment of existing loans with the Company's financial institutions.
- B. Allotment of capital increase shares of the Company and convertible bond to PP is to reduce the investment burden of the existing shareholders. Due to the current economic situation, some existing shareholders may be unable to generate funds used for this capital increase and may result in the Company's failure to raise funds as planned. Therefore, the capital increase is necessary to be completed as soon as possible.
- C. Allotment of capital increase shares and convertible bond of the Company to PP is to reduce the risk of capital increase and ensure that this capital increase will be successful, and the Company will receive money from the fundraising according to the amount offered and to build confidence for the existing shareholders of the Company to purchase the Company's newly issued ordinary shares.
- D. To broaden the pool of shareholders with financial potential and the ability to support various situations that may arise in the future, necessitating more efficient capital management.

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<sup>12</sup> From 17 April 2020 to 18 October 2021

**4.5 The expected impact on the Company's business operations as well as the financial status and the Company's operating result due to the capital increase and the implementation of the money utilization plan or project.**

The issuance and offering of newly issued ordinary shares to PP and shareholders in proportion to their shareholdings (RO), including issuance of convertible bond and allotment of newly issued shares to support convertible bond, will enable the Company to use fund for the mentioned above purposes in Clause 2. This will be beneficial to the Company's business operations and to strengthen the stability of cash flow and financial position of the Company which will decrease debt to equity ratio , improve the Company's financial liquidity , and increase the Company's stake in Thai AirAsia to nearly all of its shares. . However, if the Company is unable to increase its capital as targeted, this may have a negative impact on the Company's business operations as well as the financial position and operating results of the Company, which the Company must find other sources of funds in order to continue working and operate in accordance with the business plan.

In this regard, if the Company is able to sell all the newly issued ordinary shares and convertible bonds, the Company will receive money from the offering of the newly issued ordinary shares and convertible bonds totaling approximately of THB 14,000 million. Moreover, after the shareholding restructuring, this will make the Company to be a shareholder in Thai AirAsia as an operating company increasing from 55 percent to 100 percent.

In addition, the Company's and Thai AirAsia's liabilities will be reduced by THB 3,900 million as a result of various trade debts repaid by Thai AirAsia to the company's group of AAGB, which is a major shareholder of AAA. Furthermore, this capital increase will result in the Company to be 100 percent shareholder in Thai AirAsia which is good for the Company in terms of the recognition of the subsidiaries' operating results. If the COVID-19 epidemic situation improves and travel and tourism return to normal, the Company will be able to fully recognize the said operating results as well as result in the shareholders' equity of the Company increasing approximately of THB 14,000 million (The Company has shareholders' equity equal to THB 10,820 million as of 30 June 2021). Moreover, the Company expects that the remaining fund after the shareholding restructuring will be used to increase capital in Thai AirAsia and/or lending to Thai AirAsia with approximately value of THB 6,200 million, which will increase shareholders' equity of Thai AirAsia (as of 30 June 2021, Thai AirAsia has negative shareholders' equity (capital losses in excess of capital gains) equal to THB 9,722 million) **(Please consider additional financial implications in Clause 4.6 of this document).**

After the capital increase and the issuance of convertible bonds, AAA will send representatives who are not a major shareholder and its own controlling person to be directors of the Company with not more than three people and investors in convertible bonds will send a representative who is not a major shareholder and their controlling person to be a director of the Company with not more than one person. The appointment of a new director will be in accordance with Agenda 8 of the EGM Invitation Notice. A similar board of directors' composition for the Company and Thai AirAsia is expected following the Company and Thai AirAsia's shareholding restructuring.

AAA becoming a major shareholder of the company could have an impact on the company's ability to carry out important operations. Please read Clause 5.3 of this document, which includes important information for shareholders.

**4.6 The worthiness of benefits to be obtained from investors in comparison with the Company offering newly issued shares at a low price to such person.**

With the situation of the Corona Virus (Covid-19) epidemic for a long time which there is uncertain when the situation will return to normal, making uncertain business of the Company, that is, not easy to find creditors and investors to provide financial support and invest in the Company in this uncertain situation.

The fact that financial institution who is willing to give credit to the Company for shareholding restructuring of the Company and Thai AirAsia, and the acquisition of investors (such as AAA and major individual investor), including investors who invest in the Company's convertible debentures, are to help the Company's liquidity in this situation and to invest in the Company will greatly enhance confidence in investing in the Company's business. These investors are institutional investor and major investor who are considered as having expertise, quality, and experience in the aviation business, such as AAA. These investors will help strengthen the Company's business and to strengthen confidence in investing in the Company's business to other investors.

Furthermore, although the offering price to such investors at the price of THB 1.75 per share is lower than the market price, which is lower than 90 percent of the weighted average price of the Company's shares in the SET for past 15 business days (between 27 September 2021 and 18 October 2021) prior to the date of the Board of Directors' resolution to propose the agenda to the extraordinary general meeting of shareholders requesting approval for the Company to offer of capital increase shares by clearly stated offering price at this time, the Company has considered that the said

price already reflects the appropriate value of the Company. The issuance and offering of newly issued ordinary shares and convertible bonds at such price is sensible and considered advantageous to shareholders as the Company will receive money from the offering of the newly issued ordinary shares and convertible bonds totaling approximately of THB 14,000 million. Moreover, after the shareholding restructuring, this will make the Company to be a shareholder in Thai AirAsia as an operating company increasing from 55 percent to 100 percent

In addition, this capital increase will result in the liabilities of the Company and Thai AirAsia decreasing THB 3,900 million from the various trade debts repaid by Thai AirAsia to the company's group of AAGB, which is a major shareholder of AAA.

In this regard, after this capital increase, it will result in the Company to be 100 percent shareholder in Thai AirAsia which is good for the Company in terms of the recognition of the subsidiaries' operating results. If the COVID-19 epidemic situation improves and travel and tourism returns to normal, the Company will be able to fully recognize the said operating results. However, if considering the operating results of the Company and Thai AirAsia in the year 2020 and the six-month period of the year 2021, profit (loss) to the shareholders' equity of the Company before and after the restructuring will be as follows:

<b>Profit (loss) of the shareholders' equity of the Company – based on the data for the year 2020<sup>(1)</sup></b>	
Profit (loss) equity attributable to the Company - Before restructuring (THB Million)	(4,764.09)
(+) Profit (loss) attributable to non-controlling interests of the subsidiary (THB million)	(3,902.84)
<b>Profit (loss) equity attributable to the Company - After restructuring (THB Million)</b>	<b>(8,666.93)</b>
<b>Profit (loss) of the shareholders' equity of the Company – based on information for the six-month period of the year 2021<sup>(1)</sup></b>	
Profit (loss) equity attributable to the Company - Before restructuring (THB Million)	(3,556.46)
(+) Profit (loss) attributable to non-controlling interests of the subsidiary (THB million)	(2,912.00)
<b>Profit (loss) equity attributable to the Company - After restructuring (THB Million)</b>	<b>(6,468.46)</b>

*Remark: The above information represents the impact of the financial structure by referring to the financial statements for the year ended 31 December 2020 and the six-month period ended 30 June 2021. After the restructuring, the above information will change accordingly in accordance with the financial statements for the period that the restructuring was successful*

In addition, after the restructuring of the Company and Thai AirAsia, this will result in the Company and Thai AirAsia an increase in shareholders' equity and a reduction in liabilities. The details of shareholders' equity, total liabilities, and debt to equity ratio (D/E ratio) before and after the restructuring are as follows:

<b>The Company's financial structure - Based on information as of 30 June 2021<sup>(1)</sup></b>	
<b>Before restructuring</b>	
Equity attributable to the Company (THB Million)	10,819.6
Total Liabilities (THB Million)	53,509.6
Debt to equity ratio (times)	4.9
<b>After restructuring</b>	
Equity attributable to the Company - Before restructuring (THB Million)	10,819.6
(+) Paid-up capital and share premium from the offering of PP shares (THB Million)	8,800.0
(+) Paid-up capital and share premium from the offering of RO shares (THB Million)	3,000.0
(+) Paid-up capital and share premium on convertible bonds <sup>(2)</sup> (THB Million)	2,200.0
(+) Non-controlling interests (45 percent of Thai AirAsia) (THB Million)	272.2
<b>Equity attributable to the Company - After restructuring (THB Million)</b>	<b>25,091.8</b>
Total liabilities – Before restructuring (THB Million)	53,509.6
(-) Debt repayment to the AAGB group (THB Million)	(3,900.0)
<b>Total liabilities – After restructuring (THB Million)</b>	<b>49,609.6</b>
<b>Debt to equity ratio - After restructuring (times)</b>	<b>2.0</b>

Remark: (1) The above information represents the impact of the financial structure by referring to the financial statements for the year ended 31 December 2020. After the restructuring, the above information will change accordingly in accordance with the financial statements for the period that the restructuring was successful.

(2) In the case that the person who received the allotment of the convertible bonds immediately converts them into the Company's ordinary shares in full amount.

<b>Thai AirAsia's Financial Structure - Based on data as of 30 June 2021<sup>(1)</sup></b>	
<b>Before restructuring</b>	
Equity attributable to the Company (THB Million)	(9,722.0)
Total Liabilities (THB Million)	51,961.4
Debt to equity ratio (times)	Calculation can't be made



<b>Thai AirAsia's Financial Structure - Based on data as of 30 June 2021<sup>(1)</sup></b>	
<b>After restructuring</b>	
Equity attributable to the Company - Before restructuring (THB Million)	(9,722.0)
(+) Paid-up capital and share premium from the capital increase by the Company No. 1 (THB Million)	3,900.0
(+) Paid-up capital and share premium from the capital increase by the Company No. 2 <sup>(2)</sup> (THB Million)	6,200.0
<b>Equity attributable to the Company - After restructuring (THB Million)</b>	<b>378.0</b>
Total liabilities – Before restructuring (THB Million)	51,961.4
(-) Debt repayment to the AAGB group (THB Million)	(3,900.0)
<b>Total liabilities – After restructuring (THB Million)</b>	<b>48,061.4</b>
<b>Debt to equity ratio - After restructuring (times)</b>	<b>127.2</b>

*Remark: (1) The above information represents the impact of the financial structure by referring to the financial statements for the year ended 31 December 2020. After the restructuring, the above information will change accordingly in accordance with the financial statements for the period that the restructuring was successful.*

*(2) In case the Company uses the whole amount of the remaining money from this restructuring in the amount THB of 6,200 million for arranging capital increase in Thai AirAsia.*

The Company cannot calculate their Return on Equity (ROE ratio) and dividend yield of the Company and Thai AirAsia because the Company and Thai AirAsia recorded a loss in the fiscal year ended December 31, 2020 and the six-month period ended June 30, 2021, and Thai AirAsia still has negative shareholder equity and accumulated losses, so it is unable to pay dividends to the Company, resulting in the Company's inability to pay dividends to its shareholders. However, if the Company obtains the capital increase from this restructuring, it will assist the Company and Thai AirAsia in having stronger liquidity to sustain their operations. And if the COVID-19 pandemic situation is resolved and travel and tourism resume normalcy, Thai AirAsia's performance and financial position will improve, allowing it to generate returns and pay dividends to the Company's shareholders in the future when both Thai AirAsia and the Company begin to generate retained earnings.

In addition, the offering of capital increase shares and capital increase shares in reserve of convertible bonds to PP are a share-based payment transaction in accordance with the Financial Reporting Standard on share-based payments. However, the Company has appraised its fair value per share and view that the offering price of THB 1.75 per share is consistent with the fair value per share of the Company, since such offering price of THB 1.75 per share is the price specified for all restructuring transactions, including the offering of capital increase shares and capital increase shares in reserve of convertible bonds to PP and the offering of capital increase shares to the existing shareholders in accordance with their shareholding proportions held by each shareholder. Therefore, the Company does not have to record the expenses on share-based payments basis.

Please refer to Agendas 5.1 and 5.3 of the EGM Invitation Notice for more information.

## 5. Risks that may arise after the allotment of capital increase shares

### 5.1 *Risks associated with the compliance of the Air Navigation Act B.E. 2497 (1954) and other related laws*

For operating airline business of Thai AirAsia, Thai AirAsia must have an aviation license pursuant to the Air Navigation Act.

The Air Navigation Act requires Thai AirAsia to have the following persons (hereinafter referred to as “**Eligible Persons**”) holding shares in Thai AirAsia or the parent company of Thai AirAsia<sup>13</sup> totaling more than 51 percent.

- (1) Natural person who holds Thai nationality;
- (2) Ministry, sub-ministry, department or State agency;
- (3) Limited company or public limited company which Ministry, sub-ministry, department or State agency hold not less than 51 percent of the total shares;
- (4) Limited company or public limited company which natural person, who holds Thai nationality, hold not less than 51 percent of the total shares;
- (5) Limited partnership, of which all partners of the unlimited liability hold Thai nationality and not less than 51 percent of the capital belongs to a natural person holding Thai nationality;

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<sup>13</sup> Parent company means a company that holds more than 51 percent of shares in Thai AirAsia.

- (6) Registered ordinary partnership, of which all partners hold Thai nationality;
- (7) Mutual funds established under the Securities and Exchange Act where a securities company, which is not a foreigner pursuant to the Foreign Business Act, is responsible for the operation of the mutual fund.
- (8) Provident funds established under the Provident Fund Act, which is not a foreigner pursuant to the Foreign Business Act, with a fund manager who is not a foreigner pursuant to the Foreign Business Act.
- (9) Limited company or public limited company in which the juristic person under Clause (7) or (8) holds not less than 51 percent of the total shares
- (10) Limited company or public limited company in which a natural person who hold Thai nationality under Clause (1), a juristic person under Clause (2), (3) or (4) or a juristic person under Clause (7) or (8), collectively hold not less than 51 percent of the total shares;

In this regard, the juristic persons under Clause (3) (4) (5) (6) (7) (8) (9) or (10) above must be registered under Thai law and have head office located in the Kingdom

In summary, the Air Navigation Act stipulates that Thai AirAsia must have persons who are not eligible persons and persons who are not Thai nationals directly and indirectly holding shares in Thai AirAsia not exceeding 49 percent of the total shares of Thai AirAsia.

At present, the Articles of Association of the Company limits shareholding percentage of Non-Thai nationals at 0.1 percent.

The Company wishes to amend the Article of Association of the Company (the details are in Agenda 6) to extend the shareholding limit of the non-Thai nationals to reserve for non-Thai nationals to be allocated for the newly issued ordinary shares and the ordinary shares from the conversion of Convertible Bonds under the resolution of the Extraordinary General Meeting of the Company No. 1/2564. The aggregated shareholding of the existing non-Thai shareholders shall not exceed 48.17 of the total issued and offered shares of the Company.

For the issue of Eligible Persons, the Company has stated in the Company's Articles of Association that the Company reserves the right to refuse registration of any transfer of shares or registration of any person as a shareholder of the Company if such registration will cause the Company or the Company's group to lose its rights under the Air Navigation Act, that is, if a person who is not an Eligible Persons directly and indirectly holds shares in Thai AirAsia more than 49 percent of the total shares of Thai AirAsia<sup>14</sup>.

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<sup>14</sup> Non-Thai national is not considered as Eligible Persons.

Therefore, to ensure that every time the register book is closed, the Company will not have shareholder who is not Eligible Persons more than 49 percent before closing. The Company will advise investors through all communication channels to dispose and transfer of the Company's shares in order to prevent investors from losing any rights or advise investors to invest in warrants arising from Thai underlying securities (NVDR) instead of the Company's shares. In this regard, the Company has set the procedures for the aforementioned matters in **Attachment 1**.

In addition, the Air Navigation Act has imposed restrictions on those who have obtained aviation licenses, for example, Thai AirAsia regarding Non-Thai nationals, the ownership, substantial ownership, and effective control over the business must be vested in the licensee who is a person with Thai nationality or there must be no business domination through a person who is Non-Thai nationals in any manners as prescribed by the Air Navigation Act. The Company will amend the shareholding proportion of Non-Thai nationals in the Company not more than 48.17 percent and the Company will hold almost 100 percent of shares in Thai AirAsia. Therefore, the ownership and proprietary right of essential parts is still with a person with Thai nationality. Additionally, the Company asserts that there is no management in the manner of foreign hegemony.

However, at present, there is no interpretation of the Air Navigation Act or judgement of the Supreme Court in this regard, so the Company and Thai AirAsia still face such risks in their business operations and the Company and Thai AirAsia cannot assess or forecast the impact on the enforcement or the interpretation of such provisions that may have on the Company and Thai AirAsia. In addition, even if the Company has conducted all necessary measures as prescribed in **Attachment I** in order to prevent the Company from having shareholders who are not in line with the Article of Association and Air Navigation Act, the Company and Thai AirAsia still face the risk that the non-eligible persons will hold the shares of the Company which does not comply with the Article of Association, exceeding the shareholding limit, which may have the material adverse effect on the business of the Company.

In this case, Thai AirAsia has discussed with the Civil Aviation Authority (The Civil Aviation Authority of Thailand or CAAT) in the form of a meeting, which from the discussion, CAAT did not dissent with the shareholding restructuring plan of the Company and Thai AirAsia and action plans as the Company will proceed as mentioned above. The Company is awaiting an official response letter from CAAT, which is expected to be received within 2021.

**5.2 The risk of not being registered as a shareholder of the Company and investment in warrant for benefits arising from Thai underlying securities (NVDRs).**

Since Thai AirAsia must have non-Eligible Persons and non-Thai nationals directly and indirectly holding shares in Thai AirAsia not exceeding 49 percent of Thai AirAsia's total shares, this makes the Company to specify in the Company's Articles of Association reserving the right to refuse registration of any transfer of shares or registration of any person as a shareholder of the Company if such registration will cause the Company or the Company's group to lose its rights under the Air Navigation Act, that is, if a person who is not an Eligible Persons directly and indirectly holds shares in Thai AirAsia more than 49 percent of the total shares of Thai AirAsia. Therefore, the Company's shareholders may be denied registration as a shareholder of the Company if such shareholders of the Company acquired the shares of the Company or acquired additional shares later and did not meet the criteria as specified in **Attachment 1** and must lose the rights, such as the right to attend the shareholders' meeting to vote, the right to receive dividends, the right to receive any benefits from the Company i.e. RO shares, shares or convertible securities, etc. Moreover, due to the aforementioned risks, the Company will recommend investors who invest in the Company's shares to invest in the warrant for benefits arising from Thai underlying securities issued by Thai NVDR Company Limited (commonly known as NVDRs), whereby NVDR holders are Non-Voting Rights, but are entitled to receive financial benefits such as dividends and the right to buy newly issued ordinary shares as well as investing in the Company's shares.

**5.3 Risks in the case of the Air Navigation Act and the Company's Articles of Association have restrictions on foreign shareholding and persons who are not qualified under the Air Navigation Act, which may affect the liquidity and market price of the Company's shares.**

The Company wishes to amend the Company's Articles of Association (details in Agenda 6) to increase non-Thai nationals' shareholding proportion in order to support the allocation of newly issued ordinary shares and newly issued ordinary shares from the conversion of convertible bonds to non-Thai nationals according to the Extraordinary General Meeting of Shareholders No. 1/2021. When combined with those of existing shareholders who are not Thai citizens, the shareholding proportion must not exceed 48.17% of the Company's total number of shares sold.

The Company's Articles of Association prohibits foreign nationals' ownership of all paid-up ordinary shares in the Company to no more than 0.1 percent of the total number of shares sold by the Company and the proportion of such limitations has been increased to include AAA (purchasers of capital increase shares in a private placement) and NHTPE (holders of convertible bonds) (and non-Thai nationals who take the transfer of shares from such persons) according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2021, and when combined with those of existing shareholders who are not Thai citizens, the shareholding proportion must not exceed 48.17% of the Company's total number of shares sold. Furthermore, shareholding by non-Thai citizens and those who are not qualified under the Air Navigation Act is still restricted under the Air Navigation Act and the Company's Articles of Association (as detailed in Article 5.1, Risks related to Compliance with the Air Navigation Act B.E. 2497 (1954) and other relevant laws). As a result, such limitations may influence the liquidity and market price of the Company's ordinary shares, particularly when holdings of non-Thai citizens and people who do not meet the conditions under the Air Navigation Act reach the stipulated ceiling. Shareholders of Thai nationality may be prohibited from transferring their shares to non-Thai nationals or those who do not meet the requirements of the Air Navigation Act. Additionally, shareholders who are not Thai nationals or who are not qualified under the Air Navigation Act may be unable to determine in advance whether the ordinary shares are subject to shareholding restrictions and whether such shares can be registered in the purchaser's name or if the registrar will refuse to register the transfer of the shares.

#### **5.4 Risks associated with management of major shareholders**

Following the successful completion of the Company's and Thai AirAsia's shareholding restructuring plans, AAA will become a major shareholder of the Company, with a 45.12 percent interest<sup>15</sup>, which may hold shares up to 47.16 percent in the Company. If Mr. Tassapon Bijleveld, AAA and a group of individual high-net-worth investors who have been allocated the newly issued ordinary shares from the private placement (PP) have subscribed for newly issued ordinary shares given to existing shareholders on a proportionate basis (RO) based on their rights, where other minority shareholders have not subscribed for the newly issued ordinary shares and the remaining shares have to be written off, which enables AAA to exert influence over the administration of the Company's group, as well as the majority of the votes

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<sup>15</sup> AAA is a juristic person established in Thailand but does not have Thai national and is not deemed an Eligible Person.

at the shareholders' meeting (if all the minority shareholders fail to attend the meeting either by agent or by proxy), whether it is an appointment of directors or a proposal for approval on other issues requiring a majority vote at the shareholders' meeting, save where the law or the Company's Articles of Association requires a vote of not less than three-fourths of the shareholders present and having the right to vote. As a result, minority shareholders may be unable to collect votes enough to audit and counterbalance the group of major shareholders' proposed agendas. However, the Company has established a management structure comprised of knowledgeable and capable individuals, defined the scope of operations, duties and responsibilities, delegated authority to directors and executives in a clear and transparent manner, and established procedures for dealings with directors and major shareholders, including those with conflicts of interest, where the said persons will be disqualified from voting on such transactions in order to ensure the Group's business operations are transparent. Furthermore, the Company's Board of Directors is comprised of three independent directors, all of whom continue to serve on the Company's audit committee. The Company appoints such independent directors to audit and balance decisions and consider various items prior to presenting to the shareholders' meeting in order to reassure minority shareholders and other stakeholders that the Group's management structure is balanced in terms of power, transparency, and effectiveness, and that any actions or transactions taken or made are in the group's best interests.

### **5.5 Termination of the contract between the shareholders of Thai AirAsia and conflicts of interest**

The Company, Thai AirAsia, AAA, and AAGB entered into an agreement among Thai AirAsia shareholders to determine rights and duties in matters such as business operations and management, share transfers, and restrictions on businesses that compete with Thai AirAsia, among others.

When AAA sells all of its shares in Thai AirAsia and ceases to be a shareholder, the contract between Thai AirAsia's shareholders will be canceled in accordance with the contract's terms. Thai AirAsia is managed by its board of directors, which is controlled by its shareholder, the Company.

However, Thai AirAsia's shareholder agreement contains anti-competition provisions, which require each shareholder to refrain from engaging in any business operating in Thailand that is directly or indirectly competitive with Thai AirAsia's business, and to refrain from forming or assisting in the establishment of any juristic person that is

directly or indirectly competitive with Thai AirAsia's business in Thailand or Malaysia. When the contract between Thai AirAsia's shareholders is terminated, AAA, AAGB, the Company, and Thai AirAsia will enter into an Undertaking Agreement with the same non-competing terms as those stated in the contract between Thai AirAsia's shareholders. As a result, under no circumstances will there be commercial competition in Thailand between AAA and/or AAGB and Thai AirAsia.

Concerning potential conflicts of interest with AirAsia X Berhad Group ("**AAX**"), which shares the same shareholders as AAGB and AAX owns 49 percent of Thai AirAsia X Company Limited ("**TAAX**"), TAAX's business is not considered competitive with Thai AirAsia due to the different flight routes. This segmentation categorizes Thai AirAsia and TAAX customers according to their travel objectives. The following summarizes the differences between TAA and TAAX flight routes:

- **Thai AirAsia** is a low-cost carrier that specializes in short-haul routes of less than 4 hours and 30 minutes from its base of operations.
- **TAAX** is a low-cost carrier that specializes in medium- and long-haul routes that take approximately four hours and thirty minutes from their base of operations.

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

Please be informed accordingly

Sincerely yours,

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(Mr. Santisuk Klongchaiya)

Chief Executive Officer



**Attachment 1**

Prior to the closing date of the Company's share register book, the Company will verify the names of persons who are securities holders and will notify the Company's share registrar of persons who are Non-Eligible Persons and how many there are.

The Company will consider the shareholding and shareholding proportion of Non-Eligible Persons from the latest closing date of the share register book if there are Non-Eligible Persons holding the Company's shares after the latest closing date of the share register book and may cause the total shareholding of Non-Eligible Persons in the Company exceeding 49 percent, the Company will refuse to accept such Non-Eligible Persons as the Company's shareholders. The shareholding of such Non-Eligible Persons more than 49 percent will be closed in the name of a "Securities Depository for Depositors".

If there are several Non-Eligible Persons as shareholders after the latest share register book closing date, the Company will refuse to accept such Non-Eligible Persons as shareholders of the Company in accordance with pro-rata and the excess ratio will be closed in the name of "Securities Depository for Depositors".

The Company will make a clear disclosure of the methodology described above in its annual report and annual registration statements, as well as on its website. Furthermore, whenever the Company notifies the SET about the closing of its register book to allow shareholders to exercise their rights, the Company will concurrently notify all shareholders via the SET's information disclosure systems.