



No. KWG/LC/2021/C028

15 November 2021

Subject: Notification of the resolutions of the Board of Directors regarding the transfer of legal reserve to compensate for the accumulated loss, the reduction of the registered capital, the debt-to-equity conversion scheme, and the increase of the registered capital and related matters, due to the revision of the transaction figures

To: The President

The Stock Exchange of Thailand

- Enclosures:**
1. Summary of the significant figures that were revised for the purpose of implementing the Company's equity and debt restructuring transactions
 2. Debt-to-Equity Conversion Scheme
 3. Information Memorandum re: Offering of Newly Issued Ordinary Shares through a Private Placement and Connected Transaction of King Wai Group (Thailand) Public Company Limited
 4. Capital Increase Form (F53-4)

The Board of Directors Meeting of King Wai Group (Thailand) Public Company Limited (the "**Company**") No. 9/2021, held on 29 October 2021 had passed significant resolutions in relation to the change of the Company's name, the transfer of legal reserve to compensate for the accumulated loss, the reduction of the registered capital, the debt-to-equity conversion scheme, the increase of the registered capital and related matters, and the calling of a shareholders meeting; and had disclosed the information to the Stock Exchange of Thailand (the "**SET**") on 1 November 2021 and 5 November 2021 (amendment).

The Board of Directors Meeting of the Company No. 12/2021, held on 14 November 2021, then considered the information in the Company's financial statement for the third quarter ending on 30 September 2021, which was reviewed by the Company's auditor. In order that the Company's equity and debt restructuring is based upon the information in the financial statement of the Company and its group of companies, for the period ending on 30 September 2021, which is the most recent financial information of the Company, in lieu of the information in the financial statement of the Company and its group of companies for the period ending on 30 June 2021; and that the separate financial statement or the consolidated financial statement of the group of companies, as the case may be, is used for the calculation for the purpose of implementing the Company's equity and debt restructuring transactions according to the applicable law and rules, the significant resolutions were passed to amend the foregoing resolutions of the Board of Directors Meeting No. 9/2021, regarding the transfer of legal reserve to compensate for the accumulated loss, the reduction of the registered capital, the debt-to-equity conversion scheme, and the increase of the registered capital and related matters. In this regard, the figures under the financial statement of the Company or the group of companies for the period ending on 30 September 2021 were used in the consideration of the transactions. The significant resolutions are summarized below. A summary of the figures revised for the purpose of considering or implementing the Company's capital and debt restructuring transactions are set out in **Enclosure 1**.

1. Approval for the proposal of the following matters to the shareholders meeting for its consideration and approval:



- 1.1 The transfer of legal reserve of Baht 2,075,332 to compensate for the accumulated loss of the Company in the amount of Baht 1,276,327,657 as of 30 September 2021.

As a result, after the transfer of legal reserve, the Company's remaining accumulated loss is Baht 1,274,252,325.

- 1.2 The reduction of the Company's registered capital from Baht 26,073,968,320 to Baht 13,170,592,600, by cancelling 1,290,337,572 registered shares, with a par value of Baht 10 per share, that cannot be sold or have not yet been sold, and the amendment to clause 4 of the Company's Memorandum of Association to be consistent with the reduction of the registered capital.

- 1.3 The reduction of the Company's registered and paid-up capital from Baht 13,170,592,600 to Baht 3,042,406,890.60, by lowering the par value of the Company's shares from Baht 10 per share to Baht 2.31 per share to compensate for the share discount and eliminate the accumulated loss of the Company as of 30 September 2021, and the amendment to clause 4 of the Company's Memorandum of Association to be consistent with the reduction of the registered capital as well as the amendment to article 4 of the Company's Articles of Association.

However, the capital reduction by lowering the par value of the shares would not affect the number of the total shares sold of the Company, or the number of shares held by each shareholder, or the total shareholders' equity of the Company. The details are as follow:

Details	Before changing the par value of shares (but after the transfer of legal reserve)	After changing the par value of shares
Registered capital (issued and sold)	Baht 13,170,592,600	Baht 3,042,406,890.60
Par value	Baht 10	Baht 2.31
Share discount on ordinary shares	Baht (8,884,032,751)	Baht (479,999,999.82)
Accumulated loss	Baht (1,274,252,325)	Baht (30,099,366.60)
Number of ordinary shares	1,317,059,260 shares	1,317,059,260 shares

- 1.4 The restructuring of the Company's debt will be implemented by the entry into the debt-to-equity conversion scheme of Baht 1,199,999,999.55 with Tommo (Thailand) Limited ("**Tommo**"), a creditor and major shareholder of the Company. According to the scheme, new ordinary shares will be issued to offer for sale to Tommo as a repayment of debt.

More details on the debt-to-equity conversion scheme appear in **Enclosure 2** (Debt-to-Equity Conversion Scheme).



The entry into the debt-to-equity conversion scheme with Tommo, the major shareholder of the Company, is a connected transaction according to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 re: Connected Transaction Rules, dated 31 August 2008 (as amended), 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 the Connected Transaction, 2003, dated 19 November 2003 (as amended) (the "**Connected Transaction Notification**"). Such transaction is considered a transaction in the type of assets and services, having the value of Baht 1,199,999,999.55 or 106.97 percent of the Company's net tangible assets (the "NTA") according to the Company's consolidated financial statements as of 30 September 2021, which is more than Baht 20 million or more than 3 percent of the Company's NTA. Therefore, the Company is required to disclose information on the transaction to the Stock Exchange of Thailand (the "SET"), to appoint an independent financial advisor to express opinion on the entry into the connected transaction, and to hold a shareholders meeting for its consideration and approval for the entry into the connected transaction by a vote of not less than three-quarters of the total number of votes of the shareholders attending the meeting and having the right to vote, excluding the votes of the shareholders who have interest on the matter, according to the Connected Transaction Notification.

The offer for sale of new ordinary shares under the debt-to-equity conversion scheme to Tommo is considered a private placement of newly issued ordinary shares under the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 re: Approval for Private Placement of Newly Issued Shares by a Listed Company, dated 28 October 2015 (as amended) (the "**PP Notification**").

More details on private placement of the newly issued ordinary shares and connected transaction appear in item 1.6 below and **Enclosure 3** (Information Memorandum re: Offering of Newly Issued Ordinary Shares through a Private Placement and Connected Transaction of King Wai Group (Thailand) Public Company Limited).

- 1.5 The increase of the Company's registered capital from Baht 3,042,406,890.60 to Baht 5,635,128,957.15 by issuing 1,122,390,505 new ordinary shares, with a par value of Baht 2.31 per share, for the offering for sale under the debt-to-equity conversion scheme and under the capital increase by General Mandate to the existing shareholders of the Company in proportion to their respective shareholdings, and the amendment to clause 4 of the Company's Memorandum of Association to be consistent with the increase of the registered capital.

More details on the increase of the Company's registered capital appear in **Enclosure 4** (Capital Increase Form (F 53-4)).

- 1.6 The allocation of newly issued ordinary shares of the Company as follows:
- (1) allocation of no more than 727,272,727 newly issued ordinary shares, with a par value of Baht 2.31 per share, for offering for sale to Tommo, the creditor and major shareholder of the Company, as a repayment of debt under the debt-to-equity conversion scheme at the offering price of Baht 1.65 per share; and to request the relevant authorization from the shareholders meeting.

The allocation of the newly issued ordinary shares for offering for sale to Tommo is considered a private placement of newly issued ordinary shares



under the PP Notification. In addition, Tommo is the major shareholder of the Company, currently holding shares representing 38.22 percent of the total shares sold of the Company. The offering for sale of the newly issued ordinary shares to Tommo, as a connected person of the Company, constitutes a connected transaction according to the Connected Transaction Notification. Such transaction is considered a transaction in the type of assets and services, having the value of Baht 1,199,999,999.55 or 106.97 percent of the Company's NTA according to the Company's consolidated financial statements as of 30 September 2021, which is more than Baht 20 million or more than 3 percent of the Company's NTA. Therefore, the Company is required to disclose information on the transaction to the SET, to appoint an independent financial advisor to express opinion on the entry into the connected transaction, and to hold a shareholders meeting for its consideration and approval for the entry into the connected transaction, according to the Connected Transaction Notification.

More details on private placement of the newly issued ordinary shares including the determination of the offering price, and connected transactions, appear in **Enclosure 3** (Information Memorandum re: Offering of Newly Issued Ordinary Shares through a Private Placement and Connected Transaction of King Wai Group (Thailand) Public Company Limited).

- (2) allocation of no more than 395,117,778 newly issued ordinary shares, with a par value of Baht 2.31 per share, for offering for sale under the capital increase by General Mandate, to the existing shareholders of the Company in proportion to their respective shareholdings, provided that the existing shareholders are entitled to subscribe for the newly issued ordinary shares in excess of their rights; and the request for the grant of authority by the shareholders meeting in relation to the offer for sale of the newly issued ordinary shares under the capital increase by General Mandate.

The above allocation of no more than 395,117,778 newly issued ordinary shares is equivalent to 30 percent of the paid-up capital of the Company as of the date on which the Board of Directors resolved to propose to the shareholders meeting to consider and approve the allocation of shares under the capital increase by the General Mandate, in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand re: Criteria, Conditions and Procedures for Disclosing Information and any Act in Relation to Capital Increase of Listed Company B.E. 2563 (2020) (as amended).

2. Approval for the calling of the Extraordinary General Meeting of Shareholders No. 1/2021 (the "EGM") to be held on Wednesday, 8 December 2021 at 2.00 p.m., via electronic means, in accordance with the Emergency Decree on Electronic Meetings B.E. 2563 (2020) and other related laws and regulations, with the following agenda.

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| Agenda item 1 | To consider and approve the change of the Company's name and seal, and the amendment to the Company's Memorandum of Association and Articles of Association to be consistent with the change of Company's name and seal; |
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- Agenda item 2 To consider and approve the transfer of legal reserve to compensate for the Company's accumulated loss;
- Agenda item 3 To consider and approve the reduction of the Company's registered capital by cancelling the registered shares that cannot be sold or have not yet been sold, the amendment to clause 4 of the Company's Memorandum of Association to be consistent with the reduction of the registered capital;
- Agenda item 4 To consider and approve the reduction of the Company's registered and paid-up capital by lowering the par value of the Company's shares, the amendment to clause 4 of the Company's Memorandum of Association to be consistent with the reduction of the registered capital and amendment to the relevant article of the Company's Articles of Association;
- Agenda item 5 To consider and approve the debt-to-equity conversion scheme, which constitutes a connected transaction;
- Agenda item 6 To consider and approve the increase of the Company's registered capital by issuing new ordinary shares, and the amendment to clause 4 of the Company's Memorandum of Association to be consistent with the increase of the registered capital;
- Agenda item 7 To consider and approve the allocation of the newly issued ordinary shares, as follows:
- 7.1 Allocation of the newly issued ordinary shares to Tommo (Thailand) Limited according to the debt-to-equity conversion scheme, which constitutes a connected transaction.
 - 7.2 Allocation of the newly issued ordinary shares under the capital increase by General Mandate.
- Agenda item 8 To consider and approve the delegation of authority in relation to agenda items 1 to 7; and
- Agenda item 9 To consider other business (if any).

Agenda items 2 to 4 are related to, and conditional upon, each other. Therefore, if any of these items is not approved by the EGM, the other related items as well as agenda items 5 to 8 will not be proposed to the EGM for its consideration, and the items that have already been approved will be deemed cancelled.

Agenda items 5 to 8 are also related to, and conditional upon, each other. Therefore, if any of these items is not approved by the EGM, the other related items will not be proposed to the EGM for its consideration, and the items that have already been approved will be deemed cancelled.



For your information and disclosure to investors.

Yours sincerely,
King Wai Group (Thailand) Public Company Limited

(Mr. Antonio Hang Tat Chan)
Chief Executive Officer