

(Translation)

CAPITAL INCREASE REPORT FORM
AQUA CORPORATION PUBLIC COMPANY LIMITED
25 February 2022

We, Aqua Corporation Public Company Limited (the “Company”), hereby report on the resolutions of the Board of Directors’ Meeting No. 3/2022 held on 25 February 2022 in respect of a capital increase and allocation of newly issued ordinary shares as follows:

1. Capital reduction and capital increase

1.1 The Board of Directors’ Meeting No. 3/2022 resolved to propose the reduction of the registered capital of the Company by THB 29,221,739 from the registered capital of THB 2,985,450,000 to THB 2,953,228,261 by cancelling 58,443,478 authorized but unissued ordinary shares at a par value of THB 0.50 per share for the shareholders’ meeting’s consideration and approval; and

1.2 The Board of Directors’ Meeting No. 3/2022 resolved to propose the increase of the registered capital of the Company by THB 2,364,982,609 from the registered capital of THB 2,953,228,261 to THB 5,321,210,870 by issuing 2,956,228,261 newly issued ordinary shares at a par value of THB 0.50 per share to accommodate the exercise of the Warrants to Purchase Ordinary Shares of Aqua Corporation Public Company Limited No. 3 (AQUA-W3) (the “Warrants W3” or the “Warrants”) and by issuing 1,773,736,957 newly issued ordinary shares at a par value of THB 0.50 per share to accommodate the issuance and offering of newly issued ordinary shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering) under a general mandate for the shareholders’ meeting’s consideration and approval, where the details of the capital increase are as follows:

Type of capital increase	Type of shares	Number of shares (shares)	Par value (THB per share)	Total (THB)
<input checked="" type="checkbox"/> Specific use of proceeds	Ordinary shares	2,956,228,261	0.50	1,478,114,130.50
<input checked="" type="checkbox"/> General mandate	Ordinary shares	1,773,736,957	0.50	886,868,478.50

2. Allocation of newly issued shares

The Board of Directors’ Meeting No. 3/2022 resolved to propose the allocation of 4,729,965,218 newly issued ordinary shares at a par value of THB 0.50 per share as follows: (a) allocation of 2,956,228,261 newly issued ordinary shares at a par value of THB 0.50 per share to accommodate the exercise of the rights under the Warrants W3 to be allocated to the existing shareholders proportionate to their respective shareholdings (Rights Offering) at no cost and at the allocation ratio of two existing ordinary

shares to one unit of the Warrants W3 (any fraction from the calculation of the Warrants allocation ratio shall be disregarded) and (b) allocation of 1,773,736,957 newly issued ordinary shares at a par value of THB 0.50 per share to accommodate the issuance and offering of newly issued ordinary shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering) under a general mandate for the shareholders' meeting's consideration and approval, the details of which are as follows:

2.1 Specific use of proceeds

Allocated to	Number of shares (shares)	Ratio (existing: new)	Offering price (THB per share)	Date and time of subscription and payment	Remark
To accommodate the exercise of the rights under the Warrants	Up to 2,956,228,261 shares	<u>Allocation Ratio:</u> Two existing ordinary shares to one unit of the Warrants <u>Exercise Ratio:</u> One unit of the Warrants to one ordinary share	<u>Exercise Price:</u> THB 1.20	See remark No. 1	See remark Nos. 1 and 2

Remark:

- The term of the Warrants W3 is two years from the issuance date. Moreover, the exercise of the rights to purchase the ordinary shares of the Company under the Warrants W3 shall be in accordance with the conditions on the exercise of the Warrants as stipulated in the terms and conditions governing the rights and obligations of the issuer of the Warrants and holders of the Warrants W3 (the "Terms and Conditions").
- A summary of the key features of the Warrants W3 is as set out in the Features of the Warrants to Purchase Ordinary Shares of Aqua Corporation Public Company Limited No. 3 (AQUA-W3) to be Allocated to the Existing Shareholders Proportionate to Their Respective Shareholdings (Rights Offering) (Enclosure 2). In this regard, the Company has determined the date on which the names of shareholders entitled to be allocated the Warrants W3 (Record Date) are determined, i.e. on 14 March 2022.

2.2 General mandate

Allocated to	Type of securities	Number of shares (shares)	Percentage of the paid-up capital	Remark
Rights offering	Ordinary shares	1,773,736,957	Up to 30 percent, please see remark No. 1.	See remark Nos. 1 and 2

Remark:

1. The Company may either wholly or partially issue and offer the newly issued ordinary shares, whether in a single or sequential allocation. However, the total number of the newly issued ordinary shares to be offered to the existing shareholders proportionate to their respective shareholdings (Rights Offering) under the general mandate must be up to 1,773,736,957 shares or up to 30 percent of the paid-up capital of the Company as of the date on which the Board of Directors' Meeting No. 3/2022 resolved to propose the increase of the registered capital of the Company under a general mandate for the shareholders' meeting's consideration and approval.
2. The Board of Directors' Meeting No. 3/2022 also resolved to propose the authorization of the Executive Committee and/or the President and/or any person authorized by the Executive Committee and/or the President to be authorized to undertake actions relevant to the allocation of the newly issued ordinary shares under the general mandate, including the matters as detailed below, for the shareholders' meeting's consideration and approval:
 - (1) to determine the details on the share allocation, such as the allocation of the newly issued ordinary shares in a single or sequential allocation, offering period, offering price, share payment, allocation method, as well as other conditions and details relating to such share allocation;
 - (2) to negotiate, enter into, and sign the relevant documents and agreements and be authorized to undertake actions that are necessary and appropriate in connection with the allocation of the newly issued ordinary shares;
 - (3) to sign applications, waivers, and supporting evidence that is necessary for and relevant to the issuance and offering of the newly issued ordinary shares, including, without limitation, providing information and filing documents with the Office of the Securities Exchange Commission, the Stock Exchange of Thailand (the "SET"), Thailand Securities Depository Co., Ltd., the Ministry of Commerce, or any other relevant agencies, as well as listing the newly issued ordinary shares on the SET; and

- (4) to take any other actions that are necessary and relevant to the issuance and offering of the newly issued ordinary shares.

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

In the event that there is a fraction of shares, such fraction of shares shall be disregarded.

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

The 2022 Annual General Meeting of Shareholders has been scheduled to be held on 11 April 2022 at 2.00 p.m. as an e-meeting and the record date for determining the names of shareholders entitled to attend the 2022 Annual General Meeting of Shareholders has been set on 14 March 2022.

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

- 4.1 The Company will register the increase of the registered capital and the amendment of the Memorandum of Association with the Department of Business Development, the Ministry of Commerce, within 14 days from the date on which the shareholders' meeting has approved the capital increase and the Company will register the amendment of the paid-up capital with the Department of Business Development, the Ministry of Commerce, within 14 days from the date of payment of the newly issued ordinary shares.

- 4.2 The Company will apply for permission from the SET to list the Warrants W3, the new ordinary shares issued upon the exercise of the rights under the Warrants W3, and the newly issued ordinary shares offered to the existing shareholders proportionate to their respective shareholdings (Rights Offering) under the general mandate.

5. Objectives of the capital increase and use of proceeds

The Company is planning to use the proceeds from the exercise of the rights under the Warrants to purchase its ordinary shares as follows: to use as working capital internally by the Company and/or its subsidiaries and/or to make investments in its core business and/or any supporting or similar business where the investment conditions shall be in accordance with the investment policy of the Company at the relevant time and the investment can be conducted in the form share or business or other acquisitions in accordance with the laws, rules, and regulations of the governing authorities.

6. Expected benefits of the Company from the capital increase/allocation of newly issued shares

The capital increase will give the Company flexibility and financial readiness for the business operations of the Company and its subsidiaries as the Company will be able to timeously use the proceeds from the exercise of the rights under the Warrants to purchase its ordinary shares in line with the use of proceeds as indicated above, which will be beneficial to its operations.

7. Expected benefits of the shareholders from the capital increase/allocation of newly issued shares

7.1 Dividend policy

The Company has a policy to pay dividends at a rate of not less than 40 percent of the net profit after tax and legal reserve twice in each year. However, the payment of dividends is subject to various factors relating to the Company's operations and management, such as financial position and strength, liquidity, business expansion plan, and investment plan, which the Company must take into account.

7.2 The holders of the Warrants W3 will be entitled to dividend payment paid from the Company's operating results once they have exercised their right under the Warrants W3 to purchase the newly issued ordinary shares of the Company and have been registered as its shareholders.

8. Other details necessary for shareholders to approve the capital increase/allocation of newly issued shares

In the event that the rights under the Warrants W3 are fully exercised, the shareholders may be affected as follows:

8.1 Control dilution

If the rights to purchase ordinary shares under the Warrants are fully exercised by holders of the Warrants who are not the existing shareholders, there will be control dilution as calculated as follows:

$$\begin{aligned}
\text{Control Dilution} &= \frac{\text{Numbers of ordinary shares allocated to accommodate the Warrants}}{\text{(Number of total paid-up shares + Numbers of ordinary shares allocated to accommodate the Warrants)}} \\
&= \frac{2,956,228,261}{5,912,456,522 + 2,956,228,261} \\
&= 33.33 \text{ percent}
\end{aligned}$$

8.2 Price dilution

There will be no price dilution from the issuance and offering of the Warrants because the exercise price of the Warrants is THB 1.20 per share, which is higher than the pre-offering market price. The pre-offering market price is THB 0.64 per share, which is the volume weighted average price of the Company's ordinary shares traded on the SET for 15 consecutive business days prior to the date on which the meeting of the Board of Directors resolved to propose the offering for consideration at the 2022 Annual General Meeting of Shareholders (between 3 February 2022 - 24 February 2022).

8.3 Earnings per share dilution

Since the Company is suffering losses, it cannot determine if there will be any EPS dilution.

8.4 Opinion of the Board of Directors on the capital increase/allocation of newly issued shares

After taking into consideration a comparison between the benefits that the shareholders will gain from the capital increase, and the allocation of the newly issued ordinary shares of the Company and the effects on the profit sharing, the voting rights of the shareholders or the earnings per share as described above, the Board of Directors viewed that the capital increase and the allocation of the newly issued ordinary shares of the Company would be more beneficial to the shareholders despite the effects on the profit sharing, the voting rights of the shareholders or the earnings per share as the capital increase and the allocation of newly issued ordinary shares of the Company would allow the Company to enjoy the benefits as detailed in item 6 above and the shareholders would also gain the benefits as detailed in item 7 above.

8.4.1 Rationale and necessity for the capital increase

The Board of Directors viewed that it was necessary for the Company to increase its registered capital and allocate the Warrants to the existing shareholders proportionate to their respective shareholdings (Rights Offering) where the proceeds from the exercise of the rights under the Warrants would be used for the purposes as described under item 5 above.

8.4.2 Feasibility of the use of proceeds

The Company plans to allocate the Warrants to the existing shareholders proportionate to their respective shareholdings (Rights Offering) and receive the proceeds from the exercise of the rights under the Warrants when they are exercised. The Company will use the proceeds from the exercise of the rights under the Warrants for the purposes as described under item 5 above.

8.4.3 Reasonableness of the capital increase, use of proceeds, and projects to be implemented, including sufficiency of the sources of funds in the case that proceeds from the offering are insufficient

The Board of Directors viewed that the allocation of the Warrants to the existing shareholders proportionate to their respective shareholdings (Rights Offering) was appropriate and reasonable and was in the best interest of the Company and all shareholders because it would allow the Company to enjoy the benefits as detailed in item 6 above and the shareholders would also gain the benefits as detailed in item 7 above. In this regard, the proceeds from the exercise of the rights under the Warrants W3 is only one of the cash flow management tools of the Company. The Company can still seek other sources of fund either through loans or other forms of capital increase to ensure that it has adequate source of fund for its operations.

8.4.4 Potential effect on the business operations of the Company, as well as its financial position and operating results as a result of the capital increase, use of proceeds or implementation of the projects

The Board of Directors viewed that the allocation of the Warrants to the existing shareholders proportionate to their respective shareholdings (Rights Offering) was in line with the Company's financing plan, which would allow the Company to be able to use the proceeds from the capital increase for the purposes as described under item 5 above. The implementation of the foregoing will be beneficial to the Company and will not have any adverse effect on the business operations of the Company, as well as its financial position and operating results.

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

No.	Actions	Date/Month/Year
1.	The Board of Directors' Meeting No. 3/2022	25 February 2022
2.	Date for determining the names of shareholders entitled to attend the 2022 Annual General Meeting of Shareholders No. 1/2021 and to be allocated the Warrants W3 (Record Date)	14 March 2022
3.	The 2022 Annual General Meeting of Shareholders	11 April 2022
4.	Date for registration of capital reduction, capital increase, and amendment of the Memorandum of Association of the Company with the Department of Business Development, the Ministry of Commerce	Within 14 days from the date of the shareholders' meeting

No.	Actions	Date/Month/Year
6.	Date of issuance and allocation of the Warrants W3	To be determined by the Board of Directors
7.	Date of registration of the increase of the paid-up capital with the Department of Business Development, the Ministry of Commerce	Within 14 days from the date of payment of the newly issued ordinary shares

10. Representations of the Board of Directors on the capital increase

The Board of Directors affirms that it has performed its duty honestly and diligently to preserve the benefits of the Company in relation to the capital increase. However, if the performance of such duty by any director causes damage to the Company, the shareholders may file a legal action against such director on behalf of the Company for damages pursuant to Section 85 of the Public Limited Companies Act B.E. 2535 (as amended). In addition, if the performance of such duty results in any director or his/her related persons obtaining undue benefits, the shareholders may file a legal action to claim for restitution of such benefits from such director on behalf of the Company pursuant to Section 89/18 of the Securities and Exchange Act B.E. 2535 (as amended).

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

Sincerely yours,

-Seal-

-Signature-

(Mr. Phonlasit Phumiwasana and Mr. Korchoke Saengtongaram)

Authorized Directors