

Capital Increase Report Form

M.K. Real Estate Development Public Company Limited

2 September 2024

M.K. Real Estate Development Public Company Limited (the “Company”) hereby report on the resolution of the Board of Directors’ meeting No. 9/2024 held on 2 September 2024 relating to the capital increase and share allocation as follows:

1. Capital Decrease and Capital Increase

The Board of Directors’ meeting has resolved to propose to the Extraordinary General Meeting of Shareholders No. 2/2024 to consider and approve the decrease and increase of the registered capital as follows:

1.1 Capital Decrease

The Board of Directors’ meeting has resolved to propose to the shareholders’ meeting to consider and approve the decrease of the registered capital of the Company at the amount of 26,006,129 Baht from 1,117,211,195 Baht to 1,091,205,066 Baht by cancelling 26,006,129 ordinary shares that have not yet been issued at the par value of 1.00 Baht per share.

1.2 Capital Increase

The Board of Directors’ meeting has resolved to propose to the shareholders’ meeting to consider and approve the increase in the registered capital of the Company at the amount of 363,735,022 Baht from 1,091,205,066 Baht to 1,454,940,088 Baht by issuing newly issued ordinary 363,735,022 shares at the par value of 1.00 Baht per share, the details are as follows:

Type of Capital Increase	Type of Share	Number of Shares (Shares)	Par Value (Baht per Share)	Total (Baht)
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds	Ordinary Shares	363,735,022	1	363,735,022
	Preferred Shares	-	-	-
<input type="checkbox"/> General Mandate	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-

2. Allocation of Newly Issued Ordinary Shares

2.1 Capital increase with specified purpose of use of subscription proceeds

Allocation to	Number of Shares (Shares)	Ratio (Existing : New)	Offering Price (Baht per Share)	Subscription and Payment Period	Remarks
The existing shareholders in proportion to their shareholding, excluding shareholders whose ownership of such shares would bind the Company to any international laws (Preferential Public Offering: PPO)	363,735,022	3 existing share to 1 new share	2.50	22 and 25 - 28 November 2024	Details in remark 1., 2., 3. and 5.
Through Private Placement with respect to the remaining newly issued ordinary shares from the offering to the existing shareholders in proportion to their shareholding, excluding shareholders whose ownership of such shares would bind the Company to any international laws	Unable to be specified	-	The offering price shall not be less than the price offered to the existing shareholders	To be later determined	Details in remark 4. and 5.
Total	363,735,022				

Remarks:

1. The Company shall issue the newly issued ordinary shares not exceeding 363,735,022 shares with a par value of 1.00 Baht per share in order to offer to the existing shareholders in proportion to their shareholding, excluding shareholders whose ownership of such shares would bind the Company to any international laws (Preferential Public Offering: PPO) at the ratio of 3 existing share to 1 new share. The offering price equals 2.50 Baht per share in which a fraction of the share as a result of calculation shall be disregarded. The offering price is not less than par value in accordance with the Public Limited Companies Act B.E 2535.

2. During the subscription period, the existing shareholders are entitled to subscribe to the newly issued ordinary shares in excess of their proportionate entitlement (Oversubscription). In this regard, the existing shareholders shall be allocated those shares subscribed in excess of their rights only if there are remaining shares after the allocation to all existing shareholders in proportion to their respective shareholdings. The offering of such remaining shares to each shareholder who submit their intention to subscribe ordinary shares in excess of their rights shall be allocated on a pro rata basis based on the shareholding of those existing shareholders who submit their intention to subscribe ordinary shares in excess of their rights. The process would be repeated until there are no remaining shares available or there is no shareholder intended to subscribe to the newly issued ordinary shares. The allocation of the oversubscribed shares shall be done in accordance with the following principles:

2.1 In case the number of remaining unallocated shares is higher than the number of oversubscribed shares

The Company shall allocate all the oversubscribed shares to respective shareholders who express their intention to oversubscribe and make subscription payment for such shares.

2.2 In case the number of remaining unallocated shares is less than the number of oversubscribed shares

(a) The Company shall allocate oversubscribed shares proportionate to the shareholding percentage of each oversubscribing shareholders, calculated by multiplying existing shareholding percentage of each oversubscribing shareholders by the number of remaining unallocated shares will result in the number of oversubscribed shares to be allocated to each oversubscribing shareholders (in case there is a fraction of share as a result from calculation, such fraction of share shall be disregarded). In any case, the number of oversubscribed shares to be allocated to each oversubscribing shareholder shall not exceed the number of shares that such oversubscribing shareholders subscribe and make subscription payment for.

(b) In case there are remaining unallocated shares after the allocation in accordance with (a), the Company shall allocate such remaining unallocated shares proportionate to shareholding percentage to each oversubscribing shareholder that not yet received the oversubscribed shares up to their full oversubscription amount, calculated by multiplying existing shareholding percentage of each oversubscribing shareholders by the number of remaining unallocated shares will result in the number of oversubscribed shares to be allocated to each oversubscribing shareholders (in case there is a fraction of share as a result from calculation, such fraction of share shall be disregarded). The Company shall repeat the allocation of

remaining unallocated shares with the method prescribed in (b) until there are no remaining unallocated shares left.

In any case, the allocation of oversubscribed shares as mentioned above shall not cause any shareholder of the Company to violate the foreign shareholding restriction as stipulated in the Articles of Association of the Company, of which presently allows the shareholding by foreign entity in the Company of not exceeding 49 percent of total number of paid-up shares of the Company. The Company reserves the rights to not allocate shares to any subscriber if such allocation will cause or may cause the violation of any laws or regulations pertaining to the offering and sale of securities under the rule of Thai law. Moreover, the Company reserves the right to not offer or allocate the newly issued ordinary shares to any shareholder if such offering or allocation will or may result in the Company being subject to any obligations under the international laws, for example, China, Singapore, Australia and other countries as the Company deems appropriate.

In case there are remaining ordinary shares after the allocation to existing shareholders proportionate to their shareholding and to oversubscribing shareholders in accordance with the principles as prescribed in 2.1 and 2.2, then the Company shall allocate and offer the remaining ordinary shares through Private Placement.

3. The date fixed to determine the list of shareholders who will be entitled for subscription of newly issued ordinary shares (Record Date) is scheduled on 4 November 2024, subscription and payment period are on 22 and 25 - 28 November 2024 (5 business days). Nonetheless, such a period is still uncertain until it has been approved by the shareholders' meeting.
4. The allocation of the remaining newly issued ordinary shares left from the offering to the existing shareholders in proportion to their shareholding, excluding shareholders whose ownership of such shares would bind the Company to any international laws (Preferential Public Offering: PPO) as prescribed in 1. and the allocation to the existing shareholders who oversubscribe as prescribed in 2. through Private Placement which are not the Company's connected person according to the Notification of the Capital Market Supervisory Board No. TorJor. 28/2565 Re: Permission for Listed Companies to Offer Newly Issued Shares to Private Placement. The Board of Directors shall have the authority to offer such shares at a price not less than the price offered to existing shareholders. In this regard, the shares remaining from offering to the existing shareholders must be those left after allocation to existing shareholders.

In addition, the offering price of the remaining newly issued ordinary shares left from the offering to the existing shareholders in proportion to their shareholding, excluding shareholders whose ownership of such shares would bind the Company to any international laws (Preferential Public Offering: PPO) and the allocation to the existing shareholders who oversubscribe is at a price not less than the price

offered to existing shareholders which is a price of 2.50 Baht per share in this instance is not considered as the offering of shares at the offering price lower than of the market price according to the Notification No. Tor.Jor. 28/2565 Re: Permission for Listed Companies to Offer Newly Issued Shares to Private Placement (as amended) (the “Notification No. Tor.Jor. 28/2565”). The market price is calculated based on the weighted average price of the Company’s shares over a period of 7 consecutive business days prior to the date on which the Board of Directors’ meeting passes a resolution to propose the offering of the newly issued ordinary shares to the shareholders’ meeting (22 August 2024 to 30 August 2024) which is 1.46 Baht per share.

No.	Date	Amount (share)	Value (THB)
1	August 22, 2024	20	30
2	August 23, 2024	10,300	15,550
3	August 26, 2024	6,160	9,180
4	August 27, 2024	25,673	37,530
5	August 28, 2024	17,700	25,520
6	August 29, 2024	5,308	7,720
7	August 30, 2024	27,107	38,870
	Total	92,268	134,400
	Weighted Average Price 7 business days		1.46
	90 Percent of the Weighted Average Price 7 business days		1.31

However, criteria for Silent Period on low-priced Private Placement is not applicable to the case of allocation of the remaining shares after the offering to the existing shareholders in proportion to their shareholding, excluding shareholders whose ownership of such shares would bind the Company to any international laws (Preferential Public Offering: PPO), to private placement at a price not less than that offered to the existing shareholders. The company must have a process to enable its existing shareholders to exercise their rights exceeding their own proportion. The Company is therefore not obliged to prohibit the Investor from selling all of such newly issued ordinary shares within the prescribed period (Silent Period) in accordance with the requirements set out in the Notification of the Stock Exchange of Thailand Re: Rules, Conditions and Procedures for Consideration of Application for Listing of Ordinary Shares or Preferred Shares for Capital Increase as Listed Securities B.E. 2558 (2015) dated 11 May 2015 (as amended).

In the offering of the remaining newly issued ordinary shares left from the offering to the existing shareholders in proportion to their shareholding, excluding shareholders whose ownership of such shares would bind the Company to any international laws (Preferential Public Offering: PPO) through Private Placement, the Notification No. Tor.Jor. 28/2565 stipulates that the Company must complete the

offering within 3 months from the end of the period of the offering of the newly issued shares to the existing shareholders in proportion to their shareholding, excluding shareholders whose ownership of such shares would bind the Company to any international laws (Preferential Public Offering: PPO).

5. The Board of Directors shall be empowered to determine the date fixed to determine the list of shareholders who entitle to subscribe for newly issued ordinary shares (Record Date) and the Board of Directors and/or the Executive Committee and/or the person entrusted by the Board of Directors or the Executive Committee shall be empowered as follows:

- 5.1 Determine the details with regards to the issuance of newly issued ordinary shares which including but not limited to subscription period, payment of shares, and conditions necessary and relevant to the allocation and offering

- 5.2 Correct words or texts in any related document such as minutes of meeting, memorandum, application form and/or take any action to comply with the Registrar request for the Company's capital register to the Department of Business Development, Ministry of Commerce

- 5.3 Execute the application and necessary supporting documents relevant to the issuance and allocation of the rights offering shares, including to contact and file such application and documents to the authorities or government agencies concerning the new share issuance and the listing of the new shares on the Stock Exchange of Thailand

- 5.4 Take any other action which are deemed necessary and appropriate to the issuance and allocation of the Rights Offering shares

2.2 Action of the Company in case there is a fraction of share

In case there is a fraction of share from share allocation, a fraction of share shall be wholly disregarded.

3. Determining date of the Extraordinary General Meeting of Shareholders to approve the capital reduction/increase and share allocation

The Extraordinary General Meeting of Shareholders No. 2/2024 is scheduled on 25 October 2024 at 2.00 p.m., at Tanjong Pagar Ballroom, floor 8, Amara Bangkok hotel, 180/1, Surawong Road, Khwang Si Phraya, Khet Bangrak, Bangkok. The date fixed to determine the list of shareholders who are entitled to attend the Company's Extraordinary General Meeting of Shareholders No. 2/2024 is scheduled on 18 September 2024 (Record Date).

4. The Approval of the capital reduction/increase and share allocation by relevant governmental agency and conditions thereto

- 4.1 The Company shall obtain approval from the Company's Extraordinary General Meeting of Shareholders No. 2/2024 for the reduction and increase in the registered capital and the allocation

and the offering of the newly issued ordinary shares to the existing shareholders in proportion to their shareholding, excluding shareholders whose ownership of such shares would bind the Company to any international laws (Preferential Public Offering: PPO).

4.2 The Company shall register for the reduction and increase in the registered capital and paid-up capital of the Company, including the amendment of the Memorandum of Association with Department of Business Development, Ministry of Commerce and obtain approval from the Stock Exchange of Thailand (the “SET”) on the listing of new ordinary shares in the SET.

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

According to the allocation and offering of the Company’s newly issued ordinary shares to the existing shareholders in proportion to their shareholding, excluding shareholders whose ownership of such shares would bind the Company to any international laws (Preferential Public Offering: PPO) at the ratio of 3 existing share to 1 new share. The offering price equals 2.50 Baht per share. The Company would receive the capital in the amount of 909,337,555 Baht. The objectives of the capital increase are as follows:

Objectives of use of capital increase	Approximate amount	Period for utilization of proceeds
1. To invest in property development or related real estate business	THB 700.00 - 909.34 million ^{1/}	Year 2024 - 2025
2. To repay debentures and/or loans and/or use as working capital of the Company and subsidiaries	Amount remaining from objective 1. but not exceeding THB 209.34 million ^{1/}	Year 2024 - 2025
Total	THB 909.34 million^{1/}	

Remark: 1/ The approximate amount is subject to change depending on cash proceeds from the offering of the newly issued shares

6. Benefits which the Company will receive from the capital increase and share allocation

The Company will receive additional cash proceeds from the capital increase which the Company can utilize to invest in property development business regarding factory and warehouse which is potential growth business and it also generate recurring income to the Company as well as create added value to shareholders in the long term. Moreover, the Company can also utilize the remaining cash proceeds for repayment of debentures or borrowings from financial institutions to reduce debt and interest burden for the Company. In addition, the fund received will enhance the Company’s liquidity, financial stability and increase working capital to support the business of the Company.

7. Benefits which shareholders will receive from the capital increase and share allocation

7.1 Dividend policy

The Company has a policy of paying dividends of at least 30 percent of the net profit for the year.

7.2 Right to receive dividends

Subscribers of newly issued ordinary shares will be entitled to receive dividends from the Company's business operations since the subscriber of the newly issued ordinary shares has been registered as shareholders of Company and whose name is listed as a shareholder in the shareholder register of the Company, and the Company has declared to pay dividend.

8. Other details necessary for shareholders to approve the capital increase and share allocation

8.1 Impact on existing shareholders from allocation of newly issued ordinary shares

Control Dilution

In case that all shareholders exercise all their rights, the voting rights of the shareholders of the Company will not be affected. If any shareholders do not exercise the right to subscribe for the newly issued ordinary shares according to their rights and other shareholders have exercised their rights to subscribe for the newly issued ordinary shares in accordance with their existing rights and/or subscribe to the newly issued ordinary shares in excess of their rights until full subscription, the voting rights of the said shareholder will be affected by reduced voting rights approximately 25.00 percent.

The control dilution as per the following calculation:

$$\begin{aligned} &= \frac{\text{Number of shares offered}}{\text{Number of paid-up shares} + \text{Number of shares offered}} \\ &= \frac{363,735,022}{(1,091,205,066 + 363,735,022)} \\ &= 25.00 \text{ percent} \end{aligned}$$

Price Dilution

In case that all existing shareholders do not exercise their rights to purchase newly issued ordinary shares, the Company's share price will not be affected. If all shareholders exercise all their rights, the Company's share price will be impacted, however there is no price dilution of this issuance and allocation of newly issued ordinary shares.

The price dilution as per the following calculation:

$$\begin{aligned} &= \frac{\text{Market price before offering} - \text{Market price after offering}}{\text{Market price before offering}} \\ &= \frac{1.46 - 1.72}{1.46} \\ &= -17.81 \text{ percent (No price dilution)} \end{aligned}$$

Market price before offering is calculated from the volume weighted average of the Company's share price for 7 consecutive trading days prior to the Board of Directors' meeting dated 2 September 2024 (during from 22 August 2024 to 30 August 2024) which is equivalent to 1.46 Baht per share.

Market price after offering is calculated from:

$$\begin{aligned} &= \frac{(\text{Market price before offering} \times \text{Number of paid-up shares}) + (\text{Offering price} \times \text{Number of shares offered})}{\text{Number of paid-up shares} + \text{Number of shares offered}} \\ &= \frac{(1.46 \times 1,091,205,066) + (2.50 \times 363,735,022)}{1,091,205,066 + 363,735,022} \\ &= 1.72 \text{ Baht per share} \end{aligned}$$

Earnings per Share Dilution

There is no earnings per share dilution since the Company has net operating loss regarding net profit attributable to the parent company for the 12 months period until 30 June 2024 according to the consolidated financial statements reviewed by the auditors for the period ended 30 June 2024.

9. Opinion of the Board of Directors of the Company

9.1 Reason and necessity of capital increase

The Company will receive additional cash proceeds to invest in property development business regarding factory and warehouse which is potential growth business and it also generate additional revenue for the Company. Moreover, the Company can also utilize the remaining cash proceeds for repayment of debentures or borrowings from financial institutions to reduce debt and interest burden for the Company and enhance the Company's liquidity and financial stability.

In addition, the Board of Directors has an opinion that raising funds by offering shares to the existing shareholders in proportion to their shareholding, provide rights to all existing shareholders equally, if such offering would not bind the Company to any international laws. However, if the Company offers capital increase through other methods such as private placement or the issuance of other debt securities, there may be risks of not being able to receive the desired amount and may take longer period of time to process and causing short-term impact to the Company's business operation.

9.2 Possibility of the plan of utilizing money and the sufficiency of source of funds

It is estimated to receive funds raised by the issuance and offering of the existing shareholders in proportion to their shareholding, excluding shareholders whose ownership of such shares would bind the Company to any international laws (Preferential Public Offering: PPO) within 2024. Such funds will be used as per mentioned in the Capital Increase Report Form (F53-4). The Company plans to use such funds to additionally invest in property development business regarding factory and warehouse which is a normal business operation and the Company has expertise knowledge in such business, therefore there is a high possibility of the plan of utilizing money. Moreover, the Company can also utilize the remaining cash proceeds for repayment of debentures or borrowings from financial institutions since the Company has a solid plan to reduce debt and interest burden to reduce risk and enhance the Company's liquidity and financial stability.

9.3 The expected effect to the business operation of the Company as well as the Company's financial status and performance resulting from the capital increase and utilization of money or project

After the Company obtains funding from this capital increase, the Company will have additional cash flow for business operation which could help the Company to generate more return in the future. Moreover, based on consolidated statements of financial positions of the Company as of 30 June 2024, debt to equity ratio of the Company is equivalent to 3.02 times. In case that the capital increase success, its debt to equity ratio of the Company will be decreased to be 2.56 times and the Company will have the opportunity to expand the property development business efficiently and generate sustained long-term return.

10. Warranty of Directors

The Board of Directors certifies that the Board of Directors has performed its duty with honesty and has carefully preserved the benefit of the Company in relation to such an increase in the registered capital. However, in case that such performance of duty causes damage to the Company, the shareholders are entitled to file a lawsuit to claim for damages from such director on behalf of the Company as specified in section 85 of the Securities and Exchange Act B.E. 2535. Moreover, in case that such performance of duty causes a director or his/her related person to obtain undue benefit, the shareholders shall be entitled to file a lawsuit to claim for such benefit from such director on behalf of the Company as specified in section 89/18 of the Securities and Exchange Act B.E. 2535.

Considering the fact and reason above, the Board of Directors' meeting No. 9/2024 held on 2 September 2024 has resolved to approve the capital increase agenda of the Company.

11. Schedule of action if the Board of Directors passes a resolution approving the capital increase or allocation of newly issued shares

	Procedures	Date
1	The Board of Directors' meeting No. 9/2024	2 September 2024
2	The date fixed to determine the list of shareholders who will be entitled to attend the Company's Extraordinary General Meeting of Shareholders No. 2/2024 (Record Date)	18 September 2024
3	The Company's Extraordinary General Meeting of Shareholders No. 2/2024	25 October 2024
4	Execute the registration to increase the registered capital and other matters related to the Department of Business Development, Ministry of Commerce.	Within 14 days from the date that the shareholders' meeting has approved.
5	The date fixed to determine the list of shareholders who will be entitled for subscription of the newly issued ordinary shares (Record Date)	4 November 2024
6	Subscription period of the newly issued ordinary shares (5 business days)	22 and 25 - 28 November 2024
7	Payment period of the newly issued ordinary shares	22 and 25 - 28 November 2024
8	Registering the change of paid-up capital with the Department of Business Development, Ministry of Commerce.	Within 14 days from the closing date of the subscription and payment received.

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

Yours sincerely,

M.K. Real Estate Development Public Company Limited




(Mr. Vorasit Pokachaiyapat)

Authorized Director


(Mrs. Siripan Leewanun)

Authorized Director