



**Capital Increase Report Form**  
**Nok Airlines Public Company Limited**  
**10 August 2017**

We, Nok Airlines Public Company Limited (the “**Company**”), hereby reports the resolutions of the Board of Directors’ meeting of the Company No. 8/2017, which was held on 10 August 2017 during 14.00-18.00 hrs, to the Stock Exchange of Thailand (“**SET**”) in respect of capital increase to accommodate the allocation of newly-issued ordinary shares to existing shareholders proportionate to their respective shareholdings (Rights Offering), as follows:

**1. Capital Reduction and Capital Increase**

**1.1 Capital Reduction**

In light of the capital increase, the Board of Directors has resolved to approve the reduction of the registered capital of the Company by the amount of Baht 114,000,118 from the existing registered capital of Baht 1,406,250,000 to Baht 1,292,249,882, by cancelling 114,000,118 shares authorized but unissued, at a par value of Baht 1 per share, in order to comply with Section 136 of the Public Limited Companies Act B.E. 2535 (1992) (as amended) which provides that the Company may increase its registered capital by the increase of the newly-issued shares only after all shares have been issued and paid up in full, or if the shares have not been completely sold, the remaining shares shall be the shares issued for the accommodation of convertible debentures or warrants.

**1.2 Capital Increase**

The Board of Directors has resolved to approve the increase of registered capital of the Company from Baht 1,292,249,882 to Baht 2,499,249,882 by issuing 1,207,000,000 newly-issued ordinary shares with the par value of Baht 1 each, totaling Baht 1,207,000,000. The details of the capital increase are as follows:

<b>Type of Capital Increase</b>	<b>Type of Share</b>	<b>No. of shares (Share)</b>	<b>Par Value (Baht/Share)</b>	<b>Total Value (Baht)</b>
<input checked="" type="checkbox"/> specifying the purpose of utilizing proceeds	Ordinary shares	1,207,000,000	1	1,207,000,000
	Preferred shares	-	-	-
<input type="checkbox"/> General Mandate	Ordinary shares			
	Preferred shares			



## 2. Allocation of newly-issued shares

### 2.1 Details of allocation for the specific purpose of utilizing proceeds

Allotted to	No. of shares	Ratio	Sale Price (Baht per share)	Subscription period and payment period	Remark
1.To the existing shareholders proportionate to their respective shareholdings (Rights Offering)	Not exceeding 1,135,999,882	1 existing ordinary share to 1 newly-issued ordinary share	Baht 1.50 Please see remark (1)	Please see remark (1)	Please see remark (2)
2.To accommodate the exercise of warrants to purchase ordinary shares of the Company No. 1 (NOK-W1), the exercise price and ratio of which are adjusted	Not exceeding 71,000,118 Please see remark (3)	-	-	Please see remark (4)	Please see remark (2)

#### **Remarks:**

- (1) In respect of offering of newly-issued ordinary shares to the existing shareholders proportionate to their respective shareholdings (Rights offering), the allocation ratio is 1 existing ordinary share to 1 newly-issued ordinary share (the total numbers of shares for the Rights Offering are 1,135,999,882) with the offering price at Baht 1.50 per share, and the subscription period of such offering is 16-20 October 2017 (a total of 5 business days). In this regard, the Company has approved the date for determination of shareholders entitled to subscribe for the newly-issued ordinary shares proportionate to their respective shareholdings (Record Date) to be on 28 September 2017. The shareholder register book will be closed on 29 September 2017 in compliance with Section 225 of the Securities and Exchange Act B.E.2535 (as amended).

In the allotment of newly-issued ordinary shares to the existing shareholders proportionate to their respective shareholdings, if there are newly-issued ordinary shares remaining after the first allotment to the existing shareholders proportionate to their respective shareholdings, the remaining shares shall be allotted to the oversubscribing shareholders, based on their existing shareholding and at the same



offering price. With regards to such allotment, the Company shall allot the remaining newly-issued ordinary shares until there is no share remaining or until there is no shareholder express their intention to subscribe for such newly-issued ordinary shares.

- (2) Furthermore, it is proposed to the shareholders meeting to consider and approve to authorize the Board of Directors, the authorized directors of the Company according to the Company's Affidavit or any person entrusted by the Board of Directors or the authorized directors of the Company according to the Company's Affidavit to contact, negotiate, amend, agree, execute, and deliver all relevant documents, instruments, and/or agreements with the counterparties and/or any related persons relating to the allotment of such newly-issued ordinary shares, including but not limited to contacting, arranging, submitting, and seeking approval, waiver (if any), and necessary and relevant evidence to the relevant government agencies or relevant authorities, including the Office of the Securities and Exchange Commission and the SET, as well as amending the relevant information memorandum to be disclosed, disclosing relevant information, making statement and information to relevant authorities, and determining and/or amending conditions and relevant details in relation to the allotment of newly-issued ordinary shares from the capital increase of the Company to existing shareholders proportionate to their respective shareholdings (Rights Offering) and/or the allotment of newly-issued ordinary shares from the capital increase of the Company to accommodate the exercise of the warrants to purchase ordinary shares of the Company No. 1 (NOK-W1), subject to the relevant rules and laws, which shall include but not be limited to the following: (1) to consider and determine whether the newly-issued ordinary shares shall be one or from time to time allocations, the offering period, date for listing the names of the existing shareholders entitled to subscribe for and be allocated the newly-issued ordinary shares (Record Date), payment for shares, and other details and conditions relating to the allocation of such newly-issued ordinary shares; (2) to appoint the financial advisors, enter into negotiations, agreements, and execute relevant documentation and agreements relating to the allocation of such newly-issued ordinary shares, and to undertake any act in connection with the allocation of such newly-issued ordinary shares; and (3) to sign application forms for permission, waiver (if any), and necessary and relevant evidence in relation to the allocation and offering of the newly-issued ordinary shares, including to take actions and submit applications, waiver (if any) and necessary and relevant evidence to the relevant government agencies or relevant authorities, and to list the newly-issued ordinary shares on the SET, and to take any action necessary and relevant to the entering into the above transactions in all respects until completion of the transactions, and to appoint and/or remove substitute to take the foregoing actions.
- (3) When combining the remaining issued and allocated ordinary shares of the Company to accommodate the exercise of warrants to purchase ordinary shares of the Company No. 1 (NOK-W1) in accordance with the resolutions of the 2017 Annual General Meeting of Shareholders in the amount of 28,500,048 shares, the total number of the ordinary shares of the Company to accommodate the exercise of warrants to purchase ordinary shares of the Company No. 1 (NOK-W1) is in the amount of 99,500,166 shares.
- (4) Details are specified in the Terms and Conditions Governing the Rights and Obligations of the Issuer and Holders of the Warrant to Purchase the Ordinary Shares No. 1 of Nok Airlines Public Company Limited (NOK-W1) dated 31 May 2017 (as amended).



## **2.2 The Company's plan in case where there is a fraction of shares remaining**

Authorized directors of the Company according to the Company's Affidavit or any person entrusted by authorized directors of the Company according to the Company's Affidavit is authorized to use discretion to round down the fraction of shares or undertake other actions as deemed necessary and appropriate in order to have a successful capital increase.

## **3. Schedule for shareholders' meeting to approve the capital increase and allotment of shares**

The Extraordinary General Meeting of Shareholders No.1/2017 (the "EGM 1/2017") is scheduled to be on 20 September 2017 at 9.00 a.m. The venue is at Jupiter Room, 3rd Floor, Miracle Grand Convention Hotel, No.99 Vibhavadi-Rangsit Road, Lak Si, Donmuang, Bangkok 10210. The date for determination of shareholders entitled to attend the EGM 1/2017 (Record Date) will be on 25 August 2017. The shareholder register book will be closed on 28 August 2017 under section 225 of the Securities and Exchange Act B.E.2535 (as amended) to prepare the list of shareholders who are entitled to attend the EGM 1/2017.

## **4. Approval of the capital increase and shares allotment by relevant governmental agency and conditions thereto**

- 4.1. To register the capital reduction, capital increase, amendment to the Memorandum of Association and the change of paid-up capital with the Department of Business Development, Ministry of Commerce.
- 4.2. To apply for an approval from the SET to list the newly-issued ordinary shares as listed securities on the SET and trading on the SET.

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

The Company has the objectives to increase the capital to strengthen the Company's operation and financial position. In this regard, the Company plans to utilize the proceeds received from the capital increase as working capital in the operation of the Company and to improve the fleet, including expansion of routes and flight network. This will help increase the competitiveness of the Company and will result in the Company's better performance.

Please see additional details in Information Memorandum regarding the allocation of the newly-issued ordinary shares, **Enclosure 10**.

## **6. Benefits which the Company will receive from the capital increase/shares allotment**

The proceeds from this issuance and offering of newly-issued ordinary shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering) will be an important part of Company's capital to be used to improve the Company's business as follows:

- Increase of working capital – for past years, the Company has been operating at a loss, the Company will use part of proceeds derived from this capital increase to be the working capital for business operation to enhance liquidity and promote strength in the Company's financial position.
- Expansion of routes and flight network– the Company has planned to invest in expansion of routes, which the Company has studied and foreseen the potential thereof. This will increase the Company's flight network, the utilization rate of airplanes and efficiency in business operation and will result in increasing Company's income and profit in the long run.



- Fleet adjustment - the Company has planned to adjust the fleet to increase the utilization rate per one airplane to reduce fixed costs per unit, for example aircraft rental, maintenance and personnel expenses. This will result in the Company's better performance and profitability.

Please see additional details in Information Memorandum regarding the allocation of the newly-issued ordinary shares, **Enclosure 10**.

**7. Benefits which the shareholders will receive from the capital increase/shares allotment****7.1. Dividend Payment Policy**

The Company's policy is to pay its dividend to shareholders at a rate not lower than 25 percent of its net profit based on the Company's separate financial statements after deducted corporate income tax and after deducted statutory reserves each year, in case there is no need to use proceed in any other situation and the dividend payment meanwhile must not materially affect the Company's normal operations.

- 7.2. The subscriber of the newly-issued ordinary shares will be entitled to receive dividends from the Company's business operation after the subscriber's registration as a shareholder of the Company

**8. Other details necessary for shareholders to approve the capital increase/shares allotment**

-None-

**9. Schedule of action where the Board of Directors passed the resolutions approving the increase in capital/the shares allotment**

No.	Procedures of the Shares Allotment	Date / Month / Year
1	Approval of the capital increase and shares allotment by the Board of Directors' Meeting No. 8/2017	10 August 2017
2	To determine shareholders entitled to attend the EGM 1/2017 (Record Date)	25 August 2017
3	To prepare the list of shareholders who are entitled to attend the EGM 1/2017 by closing share register book under Section 225 of the Securities and Exchange Act B.E.2535 (as amended)	28 August 2017
4	To hold the EGM 1/2017	20 September 2017
5	Registration of the increase of registered capital and amendment to the Memorandum of Association with the Department of Business Development, Ministry of Commerce	Within 14 days from the date of approval by shareholders





<b>No.</b>	<b>Procedures of the Shares Allotment</b>	<b>Date / Month / Year</b>
6	To determine the list of shareholders who are entitled to the share subscription and be allotted for the newly-issued ordinary shares (Record Date)	28 September 2017
7	To prepare the name list of shareholders who are entitled to the share subscribe and be allotted for the newly-issued ordinary shares by closing share register book under Section 225 of the Securities and Exchange Act B.E.2535 (as amended)	29 September 2017

The Company here by certifies that the information contained in this report is true and correct in all respects.

(signed) \_\_\_\_\_ -Mr. Rathapol Bhakdibhumi- \_\_\_\_\_ Authorized Director

(Mr. Rathapol Bhakdibhumi)

*-Company's Seal-*

(signed) \_\_\_\_\_ -Mr. Patee Sarasin- \_\_\_\_\_ Authorized Director

(Mr. Patee Sarasin)