

(F 53-4)

**Capital Increase Report Form**  
**Nok Airlines Public Company Limited**  
**12 December 2019**

We, Nok Airlines Public Company Limited (the “Company”), hereby reports the resolutions of the Board of Directors’ meeting of the Company No. 12/2019, which was held on 12 December 2019 from 09.30 hours to 13.00 hours, to the Stock Exchange of Thailand (the “SET”) in respect of capital increase to accommodate the allocation of the newly issued ordinary shares to existing shareholders proportionate to their respective shareholdings (Rights Offering) as follows:

**1. Capital decrease**

The Board of Directors resolved to approve the decrease of the Company’s registered capital of Baht 99,030,527 from the existing registered capital of Baht 3,408,049,800 to Baht 3,309,019,273 by decreasing the number of ordinary shares of the Company which have not been sold in amount of 99,030,527 shares at the par value of Baht 1 per share.

**2. Capital increase**

The Board of Directors resolved to approve the increase of the Company’s registered capital from the existing registered capital of Baht 3,309,019,273 to Baht 4,197,166,631 by issuing ordinary shares in the number of 888,147,358 shares at the par value of Baht 1 per share, amounting to the increase of registered capital of Baht 888,147,358. The details of the capital increase are as follows:

Type of capital increase	Type of share	Number of share (Share)	Par value (Baht per share)	Total (Baht)
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds	Ordinary share(s)	888,147,358	1	888,147,358
	Preferred share(s)	-	-	-
<input type="checkbox"/> General Mandate	Ordinary share(s)	-	-	-
	Preferred share(s)	-	-	-

### 3. Allocation of newly issued shares

#### 3.1. Details of allocation of newly issued share for the specific purpose of utilizing proceeds

Allocated to	Number of share (share)	Ratio (current : new)	Offering price (Baht per share)	Subscription period and payment period	Remark
To accommodate the allocation of the newly issued shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering)	Not exceeding 888,147,358 shares	3.5 existing shares to 1 newly issued share	Baht 2.50 per share Please see remark (1)	Please see remark (1)	Please see remark (2)

#### Remark

(1) In respect of offering of the newly issued ordinary shares to the existing shareholders proportionate to their respective shareholdings (Rights offering), the allocation ratio is 3.5 existing shares to 1 newly issued share (amounting to the total number of 888,147,358 shares for the allocation) with the offering price at Baht 2.50 per share, amounting to the total number up to Baht 2,220,368,395, and the subscription period of the newly issued ordinary shares of the Company for offering period is from 3 to 7 February 2020 (totaling 5 business days). The Company has specified the date for determination of list of shareholders entitled to be allocated for the newly issued ordinary shares proportionate to their respective shareholdings (Record Date) according to the above information on 21 January 2020. In this regard, the issuance and the offering of the newly issued ordinary shares to the existing shareholders are uncertain until an approval from the Extraordinary General Meeting of Shareholders No. 1/2020 is granted.

If there are remaining the newly issued ordinary shares after the first allocation to the existing shareholders proportionate to their respective shareholdings, the Company shall allocate the remaining newly issued ordinary shares to the oversubscribing shareholders, based on their respective existing shareholding and at the same offering price. In such allocation of the newly issued ordinary shares, the Company shall allocate the remaining shares until there is no remaining newly issued ordinary share or until there is no shareholder expresses his intention to subscribe the newly issued ordinary shares.

In case there is any shareholder expressing intention to subscribe the newly issued ordinary shares over his existing shareholding, causing him and persons in Section 258 of the Securities and Exchange Act B.E. 2535 (1992) (including the amendments thereof) of such shareholder to increasingly hold the number of shares of the Company which reach or exceed the trigger point requiring a tender offer, such shareholder shall have to make

the tender offer for the purchase of the entire securities in the Company pursuant to the Notification of Capital Market Supervisory Board No. TorChor. 12/2554 (2011) Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers ("**Notification on the Acquisition of Securities for Business Takeovers**"), unless such shareholder is exempted from making the tender offer for the purchase of the entire securities of the Company according to the Notification on the Acquisition of Securities for Business Takeovers.

In such allocation of the newly issued ordinary shares, the Company reserves the right to consider not allocating the shares to any subscriber, if such allocation causes or may cause the infringement of foreign shareholding restriction as specified in the Articles of Association of the Company which, at present, allows foreigners to collectively hold the Company's shares not exceeding 49 percent of the total number of sold shares of the Company.

(2) The Board of Directors or authorized directors of the Company or any person, authorized by the Board of Directors or authorized directors of the Company shall be authorized to have the power 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 allocation of the newly issued ordinary shares, including but not limited to contacting, organizing and submitting any application forms for permission, waivers (if any), and necessary and relevant evidences 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 allocation of the newly issued ordinary shares for offering to the existing shareholders proportionate to their respective shareholdings (Rights Offering), subject to the relevant rules and laws, which shall include but not be limited to (1) considering and determining whether the allocation of the newly issued ordinary shares shall be at once from time to time, the offering period, date for determination of the lists of shareholders entitled to subscribe for and be allocated for the newly issued ordinary shares (Record Date), payment for shares, and other conditions and details relating to such allocation of the newly issued ordinary shares; (2) appointing the financial advisors, entering into negotiations, making agreements and executing all relevant documents and agreements relating to such allocation of, and any undertaking of actions in connection with such allocation of the newly issued ordinary shares; and (3) signing any application forms for permission, waivers (if any), and necessary and relevant evidences in relation to the allocation and the offering of the newly issued ordinary shares, including to organizing and submitting any applications forms for permission, waivers (if any) and necessary evidences to the relevant government agencies or relevant authorities, and listing the newly issued ordinary shares on the SET, and taking any actions necessary and relevant for the entering into such transaction in all respects until completion of the transaction, and to appoint and/or remove substitute to take the foregoing actions.

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

The authorized directors of the Company or any person, authorized by the directors of the Company shall be authorized to use discretion to round down a fraction of shares remaining or undertake other actions as deemed necessary and appropriate in order to achieve this capital increase.

### **3.3. Number of remaining shares which are not unallocated**

- None -

### **4. Determination for the date of the shareholders' meeting to request an approval on the capital increase and the allocation of the newly issued share**

The Extraordinary General Meeting of Shareholders No. 1/2020 is determined to be held on 14 January 2020 at 14.00 hours at Magic 2 Room, 2<sup>nd</sup> Floor, Miracle Grand Convention Hotel, No. 99 Kamphaeng Phet 6 Road, Talat Bangkhen Sub-district, Lak Si District, Bangkok 10210. The date for determination of list of shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2020 (Record Date) is determined to be on 27 December 2019.

### **5. Application for approvals on the capital increase and the allocation of the newly issued shares to the relevant governmental agencies and conditions thereto (if any)**

5.1. The Company shall register the registered capital decrease, the registered capital increase, the amendment to the Memorandum of Association and the change of paid-up capital with the Department of Business Development, the Ministry of Commerce.

5.2. The Company shall apply for an approval from the SET to list the newly issued ordinary shares as listed securities to be traded on the SET.

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

The Company's purpose of the capital increase is to reinforce the Company in the part of operation and capital. The Company has planned to utilize proceeds received from the capital increase for working capital, reducing indebtedness, improving fleet, including expanding air routes and aviation network which will enhance the Company's capability in competition and result in the better performance.

In this regard, please see additional information in the Information Memorandum on the Allocation of the Newly Issued Ordinary Shares, as detailed in Enclosure 2.

### **7. Benefits which the Company will receive from the capital increase and the allocation of the newly issued shares**

According to this issuance and offering of the newly issued ordinary shares to existing shareholders proportionate to their respective shareholdings (Rights Offering), the Company will receive significant capital which will be utilized to improve the Company's business operation as follows:

- ▶ *Working capital in business* – In the past, the Company has had loss from operation. Some of the proceeds received from this capital increase will be utilized as working capital for business operation, increase liquidity and reinforce financial position.
- ▶ *Expanding air routes and aviation network* – The Company has planned to invest in the expansion of air routes which the Company has observed and foresaw the opportunity to enhance aviation network, airplane using ratio and operation efficiency in order to raise the Company's revenue and profit ratio in a long run.
- ▶ *Fleet improvement* – The Company has planned to improve fleet in order to increase airplane using ratio per airplane and reduce expense per unit, for instance, airplane rental, maintenance expenses and airmen expenses etc., causing the Company to have better performance and profitability.

In this regard, please see additional information in the Information Memorandum on the Allocation of the Newly Issued Ordinary Shares, as detailed in Enclosure 2.

**8. Benefits which the shareholder will receive from the capital increase and the allocation of the newly issued shares**

8.1. Dividend payment policy: The Company's policy is distribute its dividend to shareholders at a rate approximately up to 25 percent of its net profit based on the Company's separate financial statements after corporate income tax and after legal reserves each year, provided that there is no other necessity to utilize such amount and the dividend payment meanwhile must not significantly affect the Company's normal operations.

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

**9. Other details necessary for shareholders to approve the capital increase and the allocation of the newly issued shares**

- None -

**10. Schedule of action where the Board of Directors passed the resolutions approving the capital increase and the allocation of the newly issued shares**

No.	Procedure	Date/Month/Year
1	The Board of Directors No. 12/2019 resolves to approve the capital increase and the allocation of the newly issued shares.	12 December 2019
2	Determination of the list of shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2020 (Record Date)	27 December 2019
3	The Extraordinary General Meeting of Shareholders No. 1/2020	14 January 2020

4	Determination of the list of shareholders entitled to subscribe for and be allocated for the newly issued ordinary shares (Record Date)	21 January 2020
5	Registration of the decrease of registered capital, increase of registered capital and amendment to the Memorandum of Association with the Department of Business Development, the Ministry of Commerce	Within 14 days from the date of approval by shareholders
6	Offering period	From 3 to 7 February 2020 (totaling 5 business days)

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

(Company's seal)

Please be informed accordingly.

Yours faithfully,

- Wutthiphum Jurangkool -

- Pravej Ongartsittigul -

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(Mr.Wutthiphum Jurangkool)

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Mr. Pravej Ongartsittigul

Authorized director

(Authorized director)