

Capital Increase Report Form
DEMCO Public Company Limited
March 7, 2023

We, DEMCO Public Company Limited (the “**Company**”), hereby report the resolutions of the Board of Directors’ Meeting (Special) No. 4/2023 held on March 7, 2023 (the “**Board of Directors’ Meeting**”) in regard to a capital increase and share allotments, as follows:

1. Capital Decrease and Increase

1.1 The Board of Directors’ Meeting has resolved to approve for proposal to the Annual General Meeting of Shareholder to consider and approve for the decrease of the registered capital of the Company from Baht 822,683,573 to Baht 730,344,251, divided into 730,344,251 ordinary shares with a par value of Baht 1.00 each, by cancelling 92,339,322 unsubscribed ordinary shares at the par value of Baht 1.00, totaling Baht 92,339,322 of the capital increase are as follows:

Type of Capital Increase	Type of Share	No. of Shares	Par Value (Baht/Share)	Total Value (Baht)
<input checked="" type="checkbox"/> specifying the purpose of utilizing proceeds	Ordinary shares	146,068,850	1.00	146,068,850
	Preferred shares	-	-	-
<input type="checkbox"/> (General Mandate)	Ordinary shares	-	-	-
	Preferred shares	-	-	-

2. Allotment of new shares

2.1 Type of specifying the purpose of utilizing proceeds

Allotted to	To accommodate the exercise of the DEMCO – W7 Warrants being offered to existing shareholders of the Company in proportion to their respective shareholdings ,excluding shareholders whose holding of such share would cause the Company to be under the obligation of any international laws (PPO)
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No. of Share	Not exceeding 146,068,850 shares
Ratio (old : new)	Allocation Ratio : 5 ordinary shares for 1 unit of DEMCO – W7 Warrant Exercise Ratio : 1 unit of the DEMCO – W7 Warrant for 1 capital increase ordinary share
Sale price per share (Baht)	The DEMCO-W7 Warrants will be issued for non-consideration (0 Baht) by fixing the exercise price at 3.50 Baht per share
Subscription and payment period	The exercise of the rights to purchase the capital increase ordinary shares of the Company under the DEMCO-W7 Warrants shall be in accordance with the provisions concerning the exercise of the warrants stipulated in the Terms and Conditions governing the Rights and Obligations of the Issuer and Holders of the Warrants to purchase the Capital Increase Ordinary Shares of DEMCO Public Company Limited (DEMCO – W7) (the “Terms and Conditions”)

Remark : The DEMCO – W7 Warrants shall be allocated to the existing shareholders of the Company on a pro rata basis to their respective shareholdings, excluding shareholders whose holding of such share would cause the Company to be under the obligation of any international laws - PPO (after being approved by the Annual General Meeting of shareholder year 2023 , which will be held on 27 April 2023) at no cost. The Company will issue and allocate the DEMCO-W7 Warrants to the shareholders whose names appear as shareholders of the Company on the date for determining the names of shareholders who shall be entitled to receive the DEMCO-W7 Warrant on May 9, 2023.

2.1.1 The Company’s plan in case there is a fraction of shares remaining

In the event that there are fractions of 1 share after the calculation, such fractions shall be rounded down.

2.1.2 In Case of the exercise right will be required to adjust upon the occurrence of the conditions of right adjustment as specified in the Terms and Condition, resulting that there will be the fraction of shares raised from the exercise of the DEMCO-W7 Warrants, those fraction of shares will be rounded down.

2.2 General Mandate

- None -

3. Schedule for the Annual General Meeting of Shareholders to approve the capital increase and the allocation of shares

Annual General Meeting of Shareholders 2023 will be held on April 27, 2023 at 14.00 p.m. Venue will be further informed. Moreover, the Board of Directors' Meeting passed a resolution to specify March 21, 2023 as the date for determining the names of the shareholders entitled to attend the Annual General Meeting of Shareholders 2023 (Record Date.

4. Approval of the capital increase / share allotment by the relevant governmental agency and related conditions (if any)

4.1 The Company will lodge applications with the Department of Business Development, Ministry of Commerce for registration of the increase of its authorized capital and paid-up capital.

4.2 The Company will obtain approval from the Stock Exchange of Thailand for listing the newly issued ordinary shares on the Stock Exchange of Thailand.

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

- a. To reserve for the exercise of warrants of the Company
- b. To use for the Company has a portion of capital that can support business expansion in the Future and as working capital for Operation.

2. Benefits which the Company will receive from the capital increase and share allotment

- a. To strengthen the Company's financial status which will lead to greater opportunities to expand its business and to participate in large-scale contracting projects,
- b. To increase the ability to raise funds in the form of debt instruments or borrowing from financial institutions. And maintain financial Liquidity.

3. Benefits which the shareholders will receive from the capital increase and share allotment

7.1 Dividend policy

The Company has a policy of paying dividends of no less than 40% of the Company's net profit each year on a non-consolidated basis, after deducting income tax, the legal reserve, and other reserves. The Board of Directors of the Company can decide not to follow such policy or change the policy under the condition that such policy benefits the shareholders in forms such as use their being used as reserved funds to repay loans, or used as investment funds for the Company's business expansion, or to react to future market conditions that which may affect the Company's cash flow.

7.2 Right for receiving dividend

If the Company pays dividends, shareholders who are allocated new ordinary shares shall have the right to receive dividends from the Company since the subscriber was registered as a Company shareholder. For warrant holders who exercise their right to convert warrants to ordinary shares, they will be entitled to receive dividend as shareholders of the Company when the registration of the paid up capital has been registered with the Department of Business Development.

4. Other details necessary for shareholders to approve the capital increase and share allotment:

-None-

5. Schedule of action where the Board of Directors of the Company passes a resolution approving the capital increase and allotment of new shares:

Procedure	Schedule
Board of Directors' Meeting Re: investment and capital increase	March 7, 2023
Notifying the SET of the resolutions of Board of Directors Meetings	March 7, 2023
The date for determining the names of the shareholders entitled to attend the Annual General Meeting of Shareholders Meeting (Record Date)	March 21, 2023
Annual General Meeting of Shareholders 2023	April 27, 2023
Notifying the SET of the resolutions of the Annual General Meeting of Shareholders 2023	April 27, 2023
Registration of capital increase and amendment to the Memorandum of Association with Department of Business Development, Ministry of Commerce	Within 14 days from the date of the Annual General Meeting of Shareholders
Record date for determining the shareholders who entitled to receive allocation of the DEMCO-W7 Warrants	May 9, 2023
Date of allocation of the DEMCO-W7 Warrants	It will be notified in later

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

Yours faithfully,
DEMCO Public Company Limited

(Mr. Phongsak Siricupta)
Chief Executive Officer & Managing Director
Authorized sign on behalf of the Company