SAMART Digital

(Translation)

SDC 039/21

August 16, 2021

Subject: Plan and progress in solving "C" Caution

To: The President
The Stock Exchange of Thailand

Samart Digital Public Company Limited arranged the Public Presentation for providing information to investors and concerning persons on August 16, 2021, at 11.00 a.m., at Hall of Fame, Mezzanine floor, Software Park Building, 99/41 Moo 4, Chaengwatthana Road, Klong Gluar, Pak Kred, Nonthaburi 11120. The Public Presentation was held because the Company's security was posted "C" Caution as the shareholders' equity from the financial statement for the three months and six months ended June 31, 2021 is less than 50% of paid-up capital.

The COVID-19 pandemic has slowed down to the World's economic and adversely impacting most businesses and industries including the business activities of the Company and subsidiaries in terms of delay in commence of new projects and decrease or suspended of the provision of services. This is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. Revenue of Digital Network business declined due to a decrease in sales and installation of communication network equipment. The execution of the Emergency Decree to control the Covid-19 pandemic had an effect on postponement of various sport events. Moreover, the Company was not renewed the T2 football broadcasting contract. This resulted in a significant decrease in the revenue of live football broadcasting of Digital Content business. In addition, revenue from mobile content also declined from this impact. The plan and progress in solving this situation are as follows:

Financial Measure

On June 8, 2021, the Extraordinary General Meeting of Shareholders No.1/2021 passed a resolution to approve the following matters:

- The issuance and offering of the newly issued convertible debentures of the Company of not exceeding Baht 1,000 million (the "Convertible Debentures") by way of private placement to non-related person namely Advance Opportunities Fund ("AO Fund") and Advance Opportunities Fund 1 ("AO Fund 1"). The purpose of this issuance is for working capital and operations of the Company, investment in project and repayment of loan from financial institutions. The convertible debentures are unsubordinated without warranty and has a maturity of 3 years with interest rate of 0.50% per annum.
- The increase of the Company's registered capital of Baht 370,370,370.40 from Baht 1,305,546,652.10 to the new registered capital of Baht 1,675,917,022.50 by issuing 3,703,703,704 ordinary shares with par value of Baht 0.10 in order to reserve for the exercise of the Convertible Debentures.

On August 6, 2021, the Company offered and issued the Convertible Debentures No. 1 pursuant to Convertible Debentures Agreement amounting to Baht 50 million. The Debenture holders exercised their conversion rights on August 9-11, 2021 amounting to Baht 50 million. Total number of the Convertible Debentures No. 1 of Baht 50 million has been fully exercised causing the increase in the shareholders' equity of the Company.

Progress of each business unit

Digital Network Business

The Company provides digital services in the Digital Trunked Radio System Project ("DTRS"), which is a digital radio communication service in collaboration with CAT Telecom Public Company Limited or currently known as National Telecommunications Public Company Limited, the only and largest operator of digital trunked in Thailand. The Company has expected to install network stations of digital trunked covering most villages nationwide. Most of the target customers are regional agencies or local government agencies of the Government. Target customers in 2021 are Provincial Electricity Authority ("PEA") and the Ministry of the Interior.

Currently, the National Telecommunication Public Company Limited signed the agreement with PEA to lease DTRS service for use in nine districts cover the Northern, Northeastern and Southern regions for a period of 48 months. The revenue sharing from airtime of the Company as a partner in the Business Alliance Agreement in order to enhance the capabilities in the provision of Digital Trunked Radio System Service (DTRS) with the National Telecommunication Public Company Limited will be no more than Baht 186 millon including VAT. The Company will receive revenue sharing from airtime on a monthly basis for a period of 48 months. The revenue will depend on the procurement and installation of equipment of the National Telecommunication Public Company and partners in the agreement.

Digital Content Business

The main revenue of this business is sport services, online fortune-teller and horoscope. Online fortune-teller and horoscope have always been popular and some affected from COVID-19. Therefore, the Company is considering new strategies and marketing plans to reach more target customers and increase other revenues related to the existing services. The COVID-19 pandemic has severely affected in sport services resulting in the postponement of live broadcasting of various sports events. Moreover, the Company was not renewed the T2 football broadcasting contract as mentioned above. The Company is in the process of planning both short-term and long-term business and find business partners to increase the potential of business operations.

The Company intends to proceed with its highest capability continuously to achieve the goals and target approved by the Board of Directors.

Please be informed accordingly.

On behalf of Samart Digital Public Company Limited

- Signature –

(Mr. Watchai Vilailuck)
Executive Chairman

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