

SDC 054/23

March 10, 2023

Subject: Plan 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 March 10, 2023, at 10.00 a.m., at Hall of Fame, Mezzanine floor, Software Park Building, 99/41 Moo 4, Chaengwattana 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 year ended December 31, 2022 is less than 50% of paid-up capital.

The COVID-19 pandemic has affected many businesses and industries, especially the Chipset and Semiconductor industry that the manufacturers are unable to produce enough products to meet the demand. As a result of preventive measures and control the outbreak of COVID-19 of each country that require work from home and online education including the emergence of new technologies such as electric cars, 5G technology, it has caused the increase in demand of electronic devices. There is a mismatch between production capacity and demand, significantly affect the financial position performance and current and future cash flows of the Company and its subsidiaries. Especially the income from the Digital Network business that did not meet the target due to the delay in sales and installation of communication network equipment. Therefore, the Company has set guidelines for solving problems and developing strategies both in business and financial as follows:

Business Measure

- Negotiate with the manufacturer to expedite the delivery of radio communication equipment according to the plan. The Company are currently negotiating to extend the delivery and installation period of the Ministry of Interior (MOI) project to be completed by 2023 in order to be in line with the delivery of equipment from the manufacturer.
- Find other manufacturers to increase alternatives in the supply of radio communication equipment to be sufficient to meet the needs and to reduce the risk of delayed delivery of the equipment.
- Focused on strategy that meet the needs of customers in many industrial groups, such as Government Customers, Disaster Prevention and Mitigation Group, Energy and Utilities Business, Transport and Logistics Business, etc.
- Manage the work system including cost control in various aspects to be more efficient.

Financial Measure

On March 18, 2022, the Extraordinary General Meeting of Shareholders No.1/2022 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 1,000,000,000 (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 221,302,959.70 by issuing 2,213,029,597 ordinary shares with par value of Baht 0.10 in order to reserve for the exercise of the Convertible Debentures.

As February 28, 2023, the Company offered and issued the Convertible Debentures totaling Baht 280,000,000. The Debenture holders exercised their conversion rights totaling Baht 253,000,000 received 1,458,780,797 ordinary shares. The remaining ordinary shares reserved for the exercise of the conversion rights are 754,248,800 ordinary shares.

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)
Chief Executive Officer

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