

(Translation)

SDC 111/23

August 2, 2023

Subject: Issuance and offering of the Convertible Debentures No. 5

To: The President
The Stock Exchange of Thailand

Attachment: Summary of the Important Terms and Conditions of the Convertible Debentures

The 2023 Annual General Meeting of Shareholders of Samart Digital Public Company Limited, held on April 27, 2023, approved the issuance and offering of the newly issued convertible debentures of the Company of not exceeding Baht 160 million by private placement to non-related persons namely Advance Opportunities Fund ("AO Fund") and Advance Opportunities Fund 1 ("AO Fund 1"). The Convertible Debentures can issue from time to time until the total amount of not exceeding Baht 160 million. Please see details in the Summary of the Important Terms and Conditions of the Convertible Debentures.

The Company would like to inform that the Company has offered and issued the Convertible Debentures No. 5 pursuant to Convertible Debentures Agreement at the amount of Baht 5 million to AO Fund and Baht 5 million to AO Fund 1 totaling Baht 10 million on August 2, 2023. The issued Convertible Debentures will mature on June 6, 2025 unless the Debenture holders exercise their conversion rights before the maturity date.

Please be informed accordingly.

Yours faithfully,

-Signature-
(Miss Boonrut Mongkolratanakorn)
Director and Company Secretary
Samart Digital Public Company Limited

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Attachment

Summary of the Important Terms and Conditions of the Convertible Debentures of Samart Digital Public Company Limited

Heading	Details
Convertible Debentures Issuer	Samart Digital Public Company Limited (“Company”)
Type of Convertible Debentures	Senior Unsecured Convertible Debentures with the conversion right to convert into the Company’s ordinary shares (“ Convertible Debentures ”).
Currency	Baht
Total amount of principal of the Convertible Debentures	Not exceeding Baht 160,000,000
Conditions of the Issuance of Convertible Debentures	<p>The Company will gradually issue the Convertible Debentures according to the Company’s financial needs. The issuance of convertible debentures is subject to the completion of the conditions precedent which are: Permission from the Securities and Exchange Commission and other relevant agencies, including the terms and conditions of the Convertible Debentures.</p> <p>However, the period of the issuance of convertible debentures is within 1 year after shareholder’s meeting approved the issuance. If the Company did not issue all Convertible Debentures within 1 year, the Company may request a resolution of the shareholders’ meeting to issue the unissued convertible debentures according to the Company’s financial needs.</p>
Interest Rate	0.5% per annum, provided that the interest will be paid on a quarterly basis from the date the Convertible Debentures was issued.
Term	3 years after the issuance date
Payback Condition	Repay in lump sum after the maturity date according to the terms and conditions of each Convertible Debenture.
Early Redemption of Convertible Debentures	The Convertible Debentures holders may or may not have rights to redeem the Convertible Debentures before its maturity date and/or the Convertible Debentures issuer may or may not have rights to redeem the Convertible Debentures before its maturity date too. The redemption has to be followed by the terms and conditions of each Convertible Debentures in accordance with the rules, regulations, laws, and/or permissions from related authorized governmental agencies.
Conversion Ratio	Principle amount of the Convertible Debentures divided by the conversion price.
Conversion price (origin and appropriateness of pricing or conversion rates)	<p>Not lower than 90% of the market price, therefore it is not considered an offer for sale of newly issued shares at a price lower than the market price as prescribed in the Notification of the Securities and Exchange Commission No. SorJor. 39/ 2551 Re: Calculation of Securities Offering Price and Determination of Market Price for Consideration of Offering of Newly Issued Shares at Low Price.</p> <p>“Market Price” is calculated based on the weighted average price of the Company’s shares trading on the Stock Exchange of Thailand for not less than 7 consecutive business days, but not more than 15 consecutive business days prior to the day the debenture holders exercise their conversion rights. The weighted average price is calculated from the average daily trading price of each consecutive business days. (“Floating Conversion Price”), in</p>

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	<p>accordance with the criteria set forth in the Notification No. Tor.Jor. 16/2565, the Notification No. SorChor. 39/2551 and the Notification No. Tor Jor. 72/2558. In addition, since the Company has accumulated losses shown in the statements of financial position and income for the year ended December 31, 2022, the Company may determine the conversion price of convertible debentures lower than the par value of the Company, but not less than 0.01 Baht per share. The Company must comply with Section 52 of the Public Limited Company Act (Section 52 of the Public Company Act stipulates that a company that has been in operation for not less than one year, if there is a loss, shares may be offered for sale at a price lower than the par value, but must be approved by the shareholders' meeting and with a definite discount rate).</p> <p>However, Market price will be calculated by specifying 2 decimal places. If the 3rd decimal place is 5 or more, it will be rounded up.</p> <p>Conversion prices of the convertible debentures are calculated with 3 decimal places. However, if the 4th decimal place is 5 or more, it will be rounded up.</p> <p>Remarks:</p> <ul style="list-style-type: none"> ○ If the ordinary shares resulted from the exercise of conversion rights of the Convertible Debentures has a conversion price of less than 90% of the market price at the date of conversion (the market price is calculated based on the weighted average price of the Company's shares traded on the Market for Alternative Investment for not less than 7 consecutive business days, but not more than 15 consecutive business days prior to the date that the convertible bond holders exercise their conversion rights. The weighted average price is calculated from the average daily trading price of each consecutive business days). The Company has the duty to prohibit AO Fund and AO Fund 1 ("Investors") from exercising such conversion rights within 1 year from the date the investors receive such convertible securities (Silent Period). After the date the investor receives the convertible securities for a period of 6 months, the investors will be able to gradually sell the prohibited shares in the amount of 25% of the total number of shares prohibited in accordance with the rules prescribed in the Notification of the Stock Exchange of Thailand Re: Rules, Conditions and Procedures for Consideration of the Request for Ordinary Shares or Preferred Shares as for the capital increase as listed securities B.E. 2558 dated May 11, 2015 (as amended). ○ In the case that the accommodating shares are insufficient, the Company will follow the guideline in the topic - The event that the Company has to issue new shares to accommodate the change in the exercise of conversion rights".
Conversion Period	The Convertible Debentures holders may exercise their conversion rights of the Convertible Debentures every day until the close of business hours 1 week prior to the Convertible Debenture maturity date.
Number of ordinary shares accommodated for conversion	<p>Allocation of the newly issued ordinary shares, whether once or several times, not exceeding 1,207,549,703 shares with the par value of 0.10 Baht per share</p> <p><u>Remarks:</u> 1,207,549,703 and 682,026,580 shares are allocated to accommodate this and previous offering of Convertible Debentures and 1,731,043,303 shares are allocated to accommodate the Warrant, with the total amount of shares allocated to accommodate this and previous Convertible Debentures and Warrant at the amount of 3,620,619,586 shares, representing 24.57% of the total issued and sold shares of the Company as of the Board of Directors' Meeting dated March 16, 2023.</p>
Secondary market for ordinary shares as a result of the conversion	The Company shall arrange to list the ordinary shares issued as a result of the conversion on the Stock Exchange of Thailand or any exchange that the Company's securities are listed on.

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Restrictions on transfer of the Convertible Debentures	As this issuance and offering of the Convertible Debentures is considered as an offering to no more than 10 specific investors within 4-month period as specified in the Notification of the Capital Market Supervisory Board No. TorChor. 16/ 2565 Re: Application for and Approval of the Offering for Sale of Newly Issued Debt Instruments through a private placement and the offering of convertible debentures to persons with specific characteristics (“ Notification No. Tor Jor. 16/2565 ”) Therefore, the transfer of the Convertible Debentures to any person at any time throughout its tenure shall not cause the number of the holders to exceed 10 specific investors within 4 month period, provided that the number of the holders shall be calculated from investors holding the Convertible Debentures on private placement basis (whether such investors hold the newly issued convertible debentures or receive the convertible debenture from the transfer by any existing Convertible Debentures holders) and actual debenture holders, except by way of inheritance.
Allocation Method	Allocated by private placement, once or several times, to Advance Opportunities Fund (AO Fund) and Advance Opportunities Fund 1 (AO Fund 1), which is an institutional investor pursuant to Clause 5 (1 0) of the Notification of the Securities and Exchange Commission No. KorJor. 39/2564 Re: Determination of Definitions of Institutional Investor, Ultra-High Net Worth Investor and High Net Worth Investor.
The event that the Company has to issue new shares to accommodate the change in the exercise of conversion rights	The Company may register the increase in capital to accommodate the conversion by the resolution of shareholders’ meeting or compensate in cash to the Convertible Debentures holder in regards with the terms and conditions of the Convertible Debentures.
Impact on Shareholders	<p>In consideration of the impacts on the Company’s shareholders, it will be taken into consideration the impact of the Convertible Debentures in case the Company issued and offered Convertible Debentures to investors. In this regard, two aspects of the impacts on the shareholders of the Company will be taken into consideration, which are, impact to the market price of shares (Price Dilution) and impact to the voting rights of existing shareholders (Control Dilution), with details as follows:</p> <p><u>In the case that all existing warrants are converted (which shareholders already approves last EGM)</u></p> <p>(1) Price Dilution can be calculated from the following formula: Price Dilution = $(Po - PE) / Po$</p> <p>Whereas,</p> <p>Po = Existing share price which is equivalent to Baht 0.1511 per share, calculated based on the weighted average price of the Company’s shares trading on the Stock Exchange of Thailand for 15 consecutive business days prior to the date the Board of Directors’ Meeting resolved to propose to the Extraordinary General Meeting of Shareholders No. 1/2022 to consider and approve the issuance of the newly issued ordinary shares to accommodate for the exercise of the Convertible Debentures’ conversion rights by private placement during the period from February 22, 2023 to March 15, 2023.</p> <p>Pe = Conversion Price of Convertible Debentures, 90% of the market price assumed to be equal to Po which is equivalent to Baht 0.1360 per share</p> <p>PE = Share price after the issuance of Convertible Debentures,</p>

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	<p>Whereas,</p> $PE = ((Po \times Qo) + (Pe \times Qe)) / (Qo + Qe)$ <p>Qo = Number of existing shares which is equivalent to 17,150,979,378 shares</p> <p>Qe = Number of shares arising from the exercise of conversion right of the Convertible Debentures, number of ordinary shares reserved for conversion of 1,207,549,703 shares</p> <p>Therefore,</p> $PE = (0.1511 \times 17,150,979,378) + (0.1360 \times 1,207,549,703) / (17,150,979,378 + 1,207,549,703)$ <p>PE = 0.1501 Baht per share</p> $\text{Price Dilution} = (Po - PE) / Po = (0.1511 - 0.1501) / 0.1511 = 0.66\%$ <p>In case that all convertible debentures are fully exercised, the impact to the market price of the shares will be 0.66% which incurred from issuing convertible debentures at 90% of Po.</p> <p><u>In the case that all existing warrants are converted (which shareholders already approves last EGM)</u></p> <p>(2) Control Dilution can be calculated from the following formula: Control Dilution = Qe / (Qo + Qe)</p> <p>Whereas,</p> <p>Qo = Number of existing shares which is equivalent to 17,150,979,378 shares</p> <p>Qe = Number of shares arising from the exercise of conversion right of the Convertible Debentures, number of ordinary shares reserved for conversion of 1,207,549,703 shares</p> $\text{Control Dilution} = 1,207,549,703 / (17,150,979,378 + 1,207,549,703)$ $= 6.58\%$ <p>In case that all convertible debentures are fully exercised, the shareholders of the Company will be diluted of its shareholding (Control Dilution) at the rate of 6.58%.</p>
Other Information	The details described above are the summary of the Terms and Conditions of the Convertible Debentures and are still subject to change. Further relevant details will be stipulated in the terms and conditions of the Convertible Debentures.
Objectives of issuing convertible debentures and plans for utilizing proceeds	Please consider the objectives of issuing convertible debentures and plans for utilizing proceeds as detailed in the Capital Increase Report Form (F53-4) (Enclosure 9)
Board of Directors' Opinions	
Reason, necessity, and suitability for the issuance of	The Board of Directors is of the opinion that fundraising by issuing and offering convertible debentures is a good choice to increase the Company's capital, to increase liquidity, and for

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convertible debentures, including analyzing the Company's ability to repay shareholders who do not exercise their conversion rights at maturity date.	fast fundraising to adapt to the rapidly changing stock market and environment conditions. This will benefit the Company's business operations in order to increase its financial liquidity and to expand investments when the Company has a need in a timely manner. It also helps to reduce the financial cost of the Company in the event that the capital increase is used to pay off debts, including increasing the stability and sustainability of the financial position of the Company, which will undoubtedly strengthen and stabilize the Company's financial position. It also restructures the appropriateness of the Company's capital structure and to increase financial liquidity, which results in a lower financial cost for the Company. The Company can use the money to generate income from investments and business development of the Company and/or invest in new businesses that are related to or supports the business that is currently operating. This will generate returns for the company and shareholders in the future. In addition, this fundraising will also benefit the company and shareholders, as detailed in the Capital Increase Report Form (F53-4) (Enclosure 9) . However, in the event that the Company has issued convertible debentures and the convertible debenture holders do not exercise their convertible rights at maturity date, the Company expects that its future cash flow should be sufficient for business operations. In addition, if necessary, the Company may issue and offer newly issued ordinary shares to shareholders or private placement, which is another solution. However, the Company will consider the appropriateness during that particular time to decide again.
Possibility of the plan for utilizing funds	The Company expects to proceed with the issuance and offering of newly issued shares to investors as well as to receive money from the sale of such newly issued shares within 1 year from the date that the shareholders' meeting approved to offer for sale the newly issued shares. However, if the Company does not receive money from this capital increase, the Company may lose the opportunity to expand its business according to the Company's business plan in the future.
Expected impacts on the Company's business operations, including its financial position and operating results due to the capital increase	Increasing the Company's registered capital by issuing convertible debentures will strengthen both its financial structure and increase its financial flexibility to invest in future projects. Therefore, such capital increase will not adversely affect the business operation, financial position, and performance of the Company.
Directors' Testimonials	In the case that the directors of the Company fails to perform their duties with honesty and diligence to protect the interest of the Company with regards to this capital increase, if such failure to perform duties causes damage, shareholders can sue for damages from the said director on behalf of the Company in accordance with Section 85 of the Public Company Act B. E. 2535 and if the performance of such duties causes the Board of Directors or any person involved to wrongful gains, shareholders can use the right to sue to recover benefits from that director instead, in accordance with Section 89/18 of the Securities and Exchange Act B.E. 2535 (as amended).