

Report Form for Capital Increase

TEAM Consulting Engineering and Management Public Company Limited

Date 23 February 2024

TEAM Consulting Engineering and Management Public Company Limited (“the Company”) hereby reports the resolution of the Board of Directors’ meeting No. 1/2024, held on 23 February 2024 between 11.00 hrs. to 14.30 hrs., relating to the capital reduction, capital increase and allotment of private placement as follows:

1. Capital reduction and Capital Increase

1.1 Capital Reduction

The Board of Directors’ meeting of the Company passed a resolution with approval of the Company’s registered capital reduction amounting to 49,191 baht, from the current registered capital 477,000,000 baht to 476,950,809 baht with a par value of 0.50 baht, by eliminating 98,382 unsold registered ordinary shares with a par value of 0.50 baht. The unsold registered ordinary shares have been issued to support the dividend payment from the Company’s operating result of year 2022, from 1 January 2022 to 31 December 2022, according to the resolution of the Annual General Meeting of shareholders for the year 2023 dated 26 April 2023. The reduction of registered shares is required to be proceed prior to capital increase, in compliance with Public Company Act.

1.2 Capital Increase

The Board of Directors’ meeting of the Company passed a resolution with approval of the Company’s registered capital increase amounting to 35,000,000 baht, from 476,950,809 baht to 511,950,809 baht, by issuing 70,000,000 ordinary shares with par value of 0.50 baht each. Details of the capital increase are as follows:

Type of Capital increase	Type of Shares	Number of shares	Par Value (baht per share)	Total Amount (baht)
<input checked="" type="checkbox"/> Specific Purpose of Use of Proceeds	Ordinary Shares	Not over than 70,000,000	0.50	35,000,000
<input type="checkbox"/> General Mandate	--	--	--	--

2. Allocation of additional capital shares

2.1 Form specifying the objectives for using funds

Allocation to	Number of Shares (shares)	Ratio (Old: New)	Offering Price (baht per share)	Share Subscription and Payment Date and Time	Remark
1. DITTO (Thailand) Public Company Limited (“DITTO”)	Not over than 38,000,000	-	4.60	To be inform later	More details in the notes
2. Miss Pornphan Amornrojworawut	Not over than 8,000,000	-			
3. Mr. Sataporn Ngamruengphong	Not over than 4,000,000	-			
4. Mr. Sompong Cholkadeedamrongkul	Not over than 4,000,000	-			
5. Dr. Rachaneewan Akharawikrai	Not over than 4,000,000	-			
6. Site Preparation Management Co., Ltd.	Not over than 2,000,000	-			
7. Mr. Denpong Somapa	Not over than 2,000,000	-			
8. Mr. Mungkorn Trachu	Not over than 2,000,000	-			
9. Mrs. Pitpring Pongnukrausiri	Not over than 2,000,000	-			
10. Mr. Teeranont Wiwatjesadawut	Not over than 2,000,000	-			
11. Mr. Phawee Wiwatjesadawut	Not over than 2,000,000	-			

Note:

- The Board of Directors' Meeting resolved to propose to the Annual General Meeting of Shareholders for the year 2024 (“Shareholders Meeting”) to consider approval of the issuance and allocation of the Company’s ordinary shares not over than 70,000,000 shares with par value of 0.50 baht each. The offering price of the additional shares is 4.60 baht per share totaling 322,000,000 baht. The newly

issued ordinary shares will be offered to 11 specific investors (“Private Placement Transaction”) with details as follows:

- (1) The newly issued ordinary shares of the Company will be allocated to the individuals specified in No. 1 – 11 of the previous table. Details of the allocation are disclosed in the Information Memorandum on an Offering of Newly Issued Shares to Specific Investors and a Connected Transaction of the Company (Enclosure 1)
- (2) The allocation of the Private Placement Transaction allotted to clause 1 (DITTO) (according to the table) is considered a private placement which is significantly relevant. The Private Placement Transaction may result in certain investors becoming shareholders with the highest voting rights in the registered company, according to the Notification of the Capital Market Supervisory Board No. TorChor. 28/2565, Re: Approval for the Listed Companies to Issue the Newly-issued Shares to the Specific Investors, dated 28 December 2022 (and any amendments thereto) (“**Notification on PP offering**”). The allocation is also considered a connected transaction, according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (and any amendments thereto) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003dated 19 November 2003 (and any amendments thereto). Details of the transaction are disclosed in the Information Memorandum on an Offering of Newly Issued Shares to Specific Investors and a Connected Transaction of the Company (Enclosure 1).

The offering price of the Private Placement Transaction has been determined and propose to the Shareholders Meeting, which is 4.60 baht per share. The price represents a discount of less than 10 percent from the prevailing market price which is determined by averaging historical prices of the Company’s ordinary shares on the Stock Exchange of Thailand (SET) over a consecutive period of at least 7 days preceding the Board of Directors’ decision to propose the Private Placement Transaction; from 14 February 2024 to 22 February 2024, the market price was 5.10 baht (Source: SETSMART, www.setsmart.com) . Consequently, the Private Placement Transaction does not fall under the category of offering capital increase shares at a discount, as stipulated in the Notification of the Capital Market Supervisory Board No. TorChor. 28/2565, Re: Approval for the Listed Companies to Issue Newly issued Shares to Specific Investors, dated 28 December 2022 (and any amendments thereto) (“**Notification on PP offering**”).

Therefore, for the Private Placement Transaction, the Company must proceed the following actions:

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- (1) Prepare and promptly disclose details of the Private Placement Transaction and the connected transaction according to the Notification on PP offering and the Notification on Connected Transactions.
 - (2) Arrange a shareholders' meeting to consider approval of the Private Placement Transaction and the connected transaction. The independent financial advisor's opinion report will be sent to shareholders together with an invitation to the Annual General Meeting of shareholders not less than 14 days prior to the meeting date. The Company must seek approval from the shareholders meeting with votes not less than three-fourth of total voting rights of shareholders or proxy holders (if any) who attends the meeting and have voting rights without considering the voting shares of shareholders who have conflicts of interest as the basis for vote counting.
 - (3) Appoint an independent financial advisor to provide an opinion on the Private Placement Transaction which constitutes a connected transaction. The independent financial advisor's opinion report will be sent to shareholders along with an invitation to the Annual General Meeting of shareholders. In this regard, the Company has appointed Silom Advisory Co., Ltd, which is a financial advisor certified by SEC, as the independent financial advisor to provide opinions on the allotment of capital increase shares to specific investors and the connected transaction.
2. Assign Mr. Aphichat Sramoon; Chief Executive Officer, or Mrs. Penpilai Phonchaipanich; Chief Financial Officer to have authority to take necessary actions relating to the issuance and allocation of ordinary shares supporting the capital increase with specific purpose of capital utilization, including, but not limited to, the following matters:
- (1) Determine the allocation of newly issued ordinary shares for the private placement, whether the allocation is to be proceeded one-time or periodic occurrence. Specify the offering period, payment, and other relevant tasks necessary for the share allocation.
 - (2) Negotiate, enter into an agreement, and sign documents and agreements relating to the Private Placement Transaction, as well as taking necessary actions relating to the share allocation.
 - (3) Sign documents, permission request forms, and evidence necessary and related to the Private Placement Transaction, including contacting, and submitting requests for permission to the relevant regulatory agencies and listing the capital increase shares in SET. The assigned persons have authority to take any necessary actions relating to the share allocations.

2.2 The Company's actions in the case of fractional shares

Since the Board of Directors approved the capital increase shares to be allocated for the Private Placement Transaction, the case of fractional shares will not occur.

2.3 Information on the specific investors

Details on the specific investors' relationship with the Company and their general information are disclosed in Section 2 and Section 3.1 of the Information Memorandum on an Offering of Newly Issued Shares to Specific Investors and a Connected Transaction of the Company (Enclosure 1).

3. Schedule for the Annual General Meeting of Shareholders for the year 2024 to approve the capital increase and share allocation

The Annual General Meeting of Shareholders for the year 2024 is scheduled to 25 April 2024 at 10.00 a. m. through electronic media. The shareholders entitled to attend the Annual General Meeting of Shareholders for the year 2024 shall be determined on [12 March 2024](#) (Record Date).

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

- 1) The Capital reduction and increase must receive approval from the Shareholders Meeting with votes not less than three-fourth of total voting rights of shareholders or proxy holders (if any) who attend the meeting and have voting right without considering the voting shares of shareholders who have conflicts of interest with the transaction.
- 2) The Company is required to formally register any alterations, including capital reduction, capital increase, and amendments to the memorandum of association, with the Department of Business Development, Ministry of Commerce (**MoC**).
- 3) The Company must comply with the regulations relating to the issuance and allocation of the newly issued shares to specific investors as stipulated in TorChor. 28/2565 prior to the issuance and allocation of the additional ordinary shares of the Company to the investors.

Regarding TorChor. 28/2565, the submission of applications for approval to the SEC has been discontinued. However, as the Private Placement Transaction is in significant relevance, the Company must provide the Independent Financial Advisor (IFA)'s opinions report for shareholders to consider approval. The Company will submit the draft invitation to shareholders meeting and the draft IFA's opinion report to the SEC for review and refinement before deliver the documents to shareholders.

- 4) The Company will submit a request to the SET to list the additional ordinary shares in the SET as listed securities.

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

The purpose of this private placement of not over than 70,000,000 additional ordinary shares, with par

value of 0.50 baht at the offering price of 4.60 baht, is to secure sufficient funds for the Company's participation in project bidding, operation of engineering and environmental consultancy projects, and to support the Company's working capital.

6. Benefits which the Company will receive from the capital increase/share allotment:

- 6.1 Enable the Company to promptly raise adequate funds and alleviate the burden on shareholders in terms of capital raising. The existing shareholders would benefit from the capital raising as the Company would be able to expand its current and future business and increase its working capital and financial liquidity.
- 6.2 The capital increase would strengthen the Company's financial status as the Company would have an appropriate capital structure supporting business expansion and investment for sustainable growth.
- 6.3 The Company can utilize the funds received in engineering and environmental consultancy business and working capital needs, which would increase the Company's potential to operate more projects for both the public and private sectors, domestic or foreign. This would strengthen both the Company's financial structure and debt-to-equity ratio in the long run and increase financial flexibility in future project investment and bring more benefits to all shareholders. As a result, the Company's shareholders would benefit from the Company's growth of income and performance, in the short term and long term.
- 6.4 DITTO has expertise in engineering technology, information technology, such as data management, cyber security, and environmental technology, which are the businesses that create synergies with the Company's existing businesses. Therefore, a business partnership with DITTO would enhance the capability and competitiveness of the Company in terms of revenue and sustainability in the long run. Consequently, the partnership would add more value to the Company's shareholders and generate investment returns for both the Company and its shareholders.
- 6.5 Receiving affirmative responses from potential investors such as DITTO engenders confidence among current shareholders regarding the prospective success of the capital increase initiative. This, in turn, enables the Company to augment its capital in alignment with predefined targets, thereby facilitating expanded investment opportunities in ventures demonstrating favorable returns. Such strategic endeavors not only bolster the Company's competitive positioning but also underpin its long-term growth trajectory and sustainability.
- 6.6 Compared to a public offering, the Company does not have control over the timing of capital increase as it more time for preparation and approval from relevant government agencies. Thus, the Board of Directors concluded that the Private Placement Transaction offered to specific investors who possess capital resources, and stable financial status would be appropriate in accordance to the objective of this capital
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increase. The Company will be able to promptly raise adequate funds and lessen a risk of unsuccessful capital raising, given the current economic circumstance.

7. Benefits which shareholders will receive from the capital increase/share allotment:

7.1 Dividend policy

The Company set a policy for dividend payment at the rate of not less than 40 percent of the Company's net profit after tax and legal reserve. The dividend payment is subject to changes depending on the Company's performance, business expansion, liquidity, and other necessities that may arise in the future, which will be determined by the Board of Directors, for the best benefit of shareholders.

7.2 Dividend Rights

The investors subscribing for the capital increase shares will have the right to receive dividend from the Company from the date which the share subscribers are registers as the Company's shareholders and the Company announces a dividend payment, in accordance to relevant policies, laws and regulations.

7.3 Others

- None -

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

8.1 Control Dilution

As a result of the Private Placement Transaction, the Company's shares will experience a control dilution of 7.88 percent. The dilution is calculated as follows:

$$\begin{aligned}
 &= \frac{\text{Number the capital increase shares issued for the private placement}}{\text{Number of shares issued and fully paid of the Company} + \text{Number of the capital increase shares offered for the private placement}} \\
 &= \frac{70,000,000}{817,901,618 + 70,000,000} \\
 &= 7.88 \text{ percent}
 \end{aligned}$$

8.2 Price Dilution

As a result of the Private Placement Transaction, the Company's shares will experience a price dilution of 0.78 percent. The dilution is calculated as follows:

$$\begin{aligned}
 &= \frac{\text{Market price before PP Offering}^{1/} - \text{Market price after PP Offering}^{2/}}{\text{Market price before PP Offering}} \\
 &= \frac{5.10 - 5.06}{5.10} \\
 &= 0.78 \text{ percent}
 \end{aligned}$$

Note:

1/ Market price before PP Offering = Weighted average price of the Company's ordinary shares listed in SET (from 14 February 2024 to 22 February 2024) which equals 5.10 baht per share

2/ Market price after PP Offering = $\frac{(5.10 \times 817,901,618) + (4.60 \times 70,000,000)}{817,901,618 + 70,000,000}$ = 5.06 baht per share

8.3 Earning Per Share Dilution

As a result of the Private Placement Transaction, the existing shareholders will experience an earning per share dilution of 7.88 percent. The dilution is calculated as follows:

$$\begin{aligned}
 &= \frac{\text{EPS before PP Offering}^{1/} - \text{EPS after PP Offering}^{2/}}{\text{EPS before PP Offering}} \\
 &= \frac{0.1581 - 0.1456}{0.1581} \\
 &= 7.88 \text{ percent}
 \end{aligned}$$

Note:

Profit (Loss) (4 consecutive quarters as per the Company's financial statement for the year ended 31 December 2023) = 129,269,768 baht

1/ EPS before PP Offering = $129,269,768 / 817,901,618$ = 0.1581 baht per share

2/ EPS after PP Offering = $129,269,768 / (817,901,618 + 70,000,000)$ = 0.1456 baht per share

8.4 Impact of the Private Placement Transaction, with specific offering price, on Shareholding Structure of the Company

The Private Placement Transaction offered to DITTO involves an allotment of capital increase shares to specific investors. This offering is significantly relevant, as DITTO will become a shareholder with the highest voting right, holding 19.03 percent of the Company's paid-up capital (including the shares held by Mr. Teerachai Rattanakamolporn and his spouse; Miss Thidarat Suamornrattanakul. Some existing shareholders will experience dilution effects on their shareholding proportion relative to DITTO's. The Company's shareholding structure before and after entering into the transaction are as follows:

No.	Shareholders	%Shareholding Before the Transaction ¹⁾	%Shareholding After the Transaction ²⁾
1	Mr. Teerachai Rattanakamolporn	15.94	14.68
2	Miss Thidarat Suamornrattanakul	0.07	0.07
3	DITTO (Thailand) Public Company Limited	---	4.28
	Total of Mr. Teerachai's Group	16.01	19.03
4	Mr. Sataporn Ngamruengphong	5.04	5.09
5	Mr. Amnut Prommasutra	3.72	3.42
6	Mr. Takorn Rattanakamolporn	2.98	2.75
7	Mr. Sompong Cholkadeedamrongkul	2.68	2.92
8	Mr. Supachoke Tantivit	2.64	2.43
9	Miss Pitchaya Pongnukrausiri	2.54	2.34
10	Mrs. Penpilai Phonchaipanich	2.46	2.27
11	Miss Yupadee Premchun	2.46	2.26
12	Thai NVDR Co., Ltd	2.34	2.15
13	Other shareholders	57.14	55.34
	Total	100.00	100.00

Note : 1) Shareholder list as of 11 January 2024 divided by number of the Company's paid-up shares as of 31 December 2023 which equals 817,901,618 shares.

2) Shareholding proportion after the Private Placement Transaction

However, the changes in the shareholding structure of the Company will not affect the Company's current business but would strengthen the Company's future growth and sustainability. DITTO has capability, strong financial status, experience and expertise in data digitalization and data management, with developer teams who are experienced in information technology. A collaboration between the Company and DITTO would promote sustainable growth for both parties and enhance the Company's

business capabilities. In this regard, the existing shareholders of the Company still hold enough shareholding proportion to create a balance of control in the Company through the Board of Directors and a collaboration framework with DITTO as a shareholder of the Company.

9. Schedule of action after the board of directors passed a resolution proposing the Annual General Meeting of Shareholders for the year 2024 to approve the capital increase/ share allotment

No	Process	Date
1	Board of Directors' Meeting	23 February 2024
2	Record Date for 2024 Annual General Meeting	12 March 2024
3	2024 Annual General Meeting	25 April 2024
4	Register for Capital Reduction, Capital Increase and an Alteration of the Memorandum of Association, with the Department of Business Development, Ministry of Commerce	Within 14 days after the Shareholders Meeting approved the transaction
5	Issuance and Offering of the Private Placement Transaction	Within 3 months after the Company received approval from the Shareholders Meeting, or within 12 months after the date which the Shareholders Meeting approved the transaction, in case that the Shareholders Meeting specified that after the 3-month period the Board of Directors, or the persons assigned by the Board of Directors will determine the offering price according to the current market price. Therefore, the Board of Directors agreed to propose the Shareholders Meeting to approve the Board of Directors or the assigned persons to determine the offering price in accordance to the current market price, 3 months after the date which the Shareholders Meeting approved the transaction.

No	Process	Date
6	Register an increase paid-up capital of the Company with the MoC	Within 14 days after the Private Placement Transaction is completed
7	Submit a request to the SET to list the private placement shares in the SET as listed securities	Within 30 days after the Private Placement Transaction is completed

Remark : The schedules are subject to change

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

sincerely,

Dr. Aphichat Sramoon-
Chief Executive Officer
