

**Information memorandum regarding the offer and allotment of newly issued ordinary shares to specific investor (Private Placement)
of
Wave Entertainment Public Company Limited**

Reference is made to the Board of Directors' Meeting No. 1/2018 of Wave Entertainment Public Company Limited (the "**Company**") held on 7 February 2018 resolved to approve to propose to the shareholders' meeting to consider and approve the capital increase in the amount of not exceeding Baht 46,750,000 from Baht 463,320,000 to Baht 510,070,000 by issuing newly issued ordinary shares of not exceeding 46,750,000 shares at the par value of Baht 1 per share for allotment to specific investor (Private Placement), namely The Mall Group Company Limited. The matter shall be further proposed for consideration by the Extraordinary General Meeting of Shareholders No. 1/2018 to be held on Thursday, 22 March 2018.

Therefore, the Company has prepared the information memorandum regarding the offer and allotment of newly issued ordinary shares to specific investor which contains material supporting information for consideration and decision-making by the shareholders with regards to the increase of the Company's registered capital and the offer and allotment of newly issued ordinary shares to specific investor according to the Notification of Capital Market Supervisory Board No. TorChor. 73/2558 Re: Information under Notice to Shareholders' Meeting of Listed Companies for Approval of Issue and Offer of Securities. The details of which are as follows:

1. Details of the offer, determination and reasonableness of the offer price and determination of the market price

1.1 Details of the offer

The Company shall issue and allot 46,750,000 newly issued ordinary shares at the par value of Baht 1 per share to The Mall Group Company Limited at the offer price of Baht 3.85 per share, totaling Baht 179,987,500. Such offer price is not at a discount pursuant to the Notification of Capital Market Supervisory Board No. TorChor. 72/2558. After the offer and allotment of such newly issued ordinary shares, The Mall Group Company Limited shall hold 9.99% shareholding of the Company's paid-up capital.

Shareholding structure of the Company after the offer and allotment of newly issued ordinary shares to The Mall Group Company Limited

	Name of Shareholder	Number of Shares	% shareholding
1.	Maleenont Family	175,126,924	37.42
	1.1 Miss Cathleen Maleenont	105,106,924	22.46
	1.2 BEC World Public Company Limited	58,250,000	12.45
	1.3 Miss Prissana Maleenont	6,910,000	1.48
	1.4 Miss Piyawadee Maleenont	4,860,000	1.04
2.	The Mall Group Company Limited	46,750,000	9.99
3.	Mr. Nattapon Jurangkul	43,382,200	9.27
4.	Other shareholders	202,690,876	43.31
	Total	467,950,000	100.00

Before entering into this transaction, there are no related persons of The Mall Group Company Limited in accordance with Section 258 of the Securities and Exchange Act B.E. 2535 (as amended) hold any shares of the Company and after entering into this transaction, the control in the Company will not be changed and the acquisition of shares of the Company by The Mall Group Company Limited does not fall into the tender offer's rules under Section 247 of the Securities and Exchange Act B.E. 2535 (as amended).

1.2 Determination and reasonableness of the offer price

The determination of the offer price of 46,750,000 newly issued ordinary shares of the Company of Baht 3.85 per share is calculated based on the value of share which reflects the potential and business plan of the Company and this price is the agreed price from the negotiation of the Company and the purchaser. In addition, this price is higher than the weighted average trading price for 7 business days during 29 January 2018 to 6 February 2018, which is equivalent to Baht 3.39 per share. The offer price of Baht 3.85 per share is 13.57 % higher than the weighted average trading price.

Since the issue and offer of the newly issued ordinary shares of the Company to The Mall Group Company Limited is considered the offer and allotment of newly issued ordinary shares to specific investor where the shareholders' meeting resolved to approve the specific offer price pursuant to the Notification of Capital Market Supervisory Board No. Tor Chor. 72/2558 Re: Approval of Offering for Sale of Newly Issued Shares by Listed Companies to Specific Persons (the "**Notification of Capital Market Supervisory Board No. Tor Chor. 72/2558**"). Therefore, in addition to obtaining approval from the shareholders' meeting, the Company must obtain permission to issue and offer the newly issued shares of the Company to specific person from the Securities and Exchange Commission ("**SEC**") pursuant to the Notification of Capital Market Supervisory Board No. Tor Chor. 72/2558 prior to the offering of such newly issued ordinary shares.

However, on the date of issuing new shares (offer date), if the recalculation of offer price is at a discount of more than 10% from the market price (calculated from the weighted average trading price during the past 7 – 15 business days before the offer date), such specific investor shall comply with silent period rule. The silent period will be applied for 1 year and after 6 months, such specific investor can sell 25% of shares under the silent period.

1.3 Determination of the market price

Market price before 7 February 2018 (the date of the Company's board of directors' meeting) means the weighted average trading price during the past 7 business days before the date of the Company's board of directors' meeting during 29 January 2018 to 6 February 2018, which is equivalent to Baht 3.39 per share.

2. Objectives of share issuance and investment plan

Due to the economic condition during year 2016 to 2017, the domestic consumption was decrease and it affected the revenue and cash flow of the Company therefore, the Company has its intension to issue the newly issued shares for working capital such as normal expenses, rental fees and salary including the repayment of loan for normal operation as working capital of the Company and its subsidiaries and for partial repayment of loan to financial institutions. The proceeds which will be received from this capital increase, shall support the cash flow of the Company and it is sufficient for the repayment of loan of the Company, the details of which are as follows:

Objectives	Proceeds (Baht Million)	Timeline
1. Working capital	72	2018
2. Partial repayment of loan due and payable to financial institutions	108	within 3 rd quarter of 2018
Total	180	

After the issue and offer of newly issued ordinary shares to specific investor and partial loan repayment to financial institution, the Company's debt to equity ratio will decrease from 2.08 times to 1.65 times (calculated based on the Company's statement of financial position as of 30 September 2017).

3. **Criteria in capital increase or allotment of newly issued shares to specific investor (Private Placement)**

The Company considered to allot newly issued shares to The Mall Group Company Limited in the number of 46,750,000 shares at the price of Baht 3.85 to enhance its financial stability which will result in a decrease in its finance costs in the future and increase its competitiveness and sustainably develop and grow the Company's business. This will ultimately result in return to the Company and its shareholders in the future.

4. **Details of specific investor who is allotted with the newly issued ordinary shares**

Company name	:	The Mall Group Company Limited
Address	:	49 Ramkhamhaeng Road, Huamark Sub-district, Bangkok District, Bangkok 10240
Board of Directors	:	1. Mr. Surat Umpujh 2. Miss Supaluck Umpujh 3. Miss Kritsana Umpujh 4. Mr. Suttipong Umpujh 5. Mrs. Achara Umpujh 6. Mrs. Busarakum Chansue 7. Miss Santana Umpujh 8. Mr. Pradit Phataraprasit 9. Mrs. Luckana Naviroj 10. Mr. Suthep Wongvorazathe 11. Mrs. Wanida Ganagasai 12. Mrs. Ampaporn Phatrabeeyangkul
Registered Capital (Baht)	:	Baht 100 million
Paid-up Capital (Baht)	:	Baht 100 million
Type of Business	:	Retail product business

Shareholders	:	Name of shareholder	Shareholding %
		1. Umpujh Holding Commpany Limited	64.995%
		2. Mr. Surat Umpujh	0.001%
		3. Miss Supaluck Umpujh	0.001%
		4. Miss Kritsana Umpujh	0.001%
		5. Mrs. Achara Umpujh	0.001%
		6. Mrs. Busarakum Chansue	0.001%
		7. Winvestment Company Limited	35.000%
		Total	100%
Relationship with the Company	:	Not a related person to the Company, its directors, executives, major shareholders	

The specific investor who is allotted with such newly issued ordinary shares is not a related person of the Company pursuant to 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 B.E. 2546. In addition, such offer and allotment of the newly issued shares to specific investor is by determination of specific offer price and the offer price is **not less than** 90% of the market price.

The market price means the weighted average trading price of the Company's shares on the stock exchange during the past 7 consecutive business days before the date on which the Company's board of directors' meeting resolved to propose to the Extraordinary General Meeting of Shareholders No. 1/2018 to consider and approve the issue and allotment of newly issued ordinary shares, during 29 January 2018 to 6 February 2018, which is equivalent to Baht 3.39 per share.

However, if on the date of issuing new shares (offer date), such offer price is at a discount of more than 10% of the market price (calculated from the weighted average trading price of the Company's shares on the stock exchange during the past 7 - 15 consecutive business days before the offer date), such specific investor shall comply with silent period rule. The silent period shall apply for 1 year and after 6 months, such specific investor can sell 25% of shares under the silent period.

5. Possible effect from the allotment of newly issued shares to specific investor

Possible effect from the offer and allotment of newly issued shares to specific investor are as follows:

5.1 Price dilution

$\frac{\text{Pre-offering market price}^1 - \text{Post-offering market price}^2}{\text{Pre-offering market price}^1}$

= $\frac{\text{Baht 3.39} - \text{Baht 3.44}}{\text{Baht 3.39}}$

= - 1.47%

Whereas:

¹ Pre-offering market price is calculated based on the weighted average trading price of the Company's share during the past 7 business days before the date of the board of directors' meeting on 7 February 2018. The market price, calculated from the weighted average trading price during 29 January 2018 to 6 February 2018, is equivalent to Baht 3.39 per share.

² Post-offering market price = (No. of paid-up shares x market price) + (No. of PP shares x PP price)

$$\begin{aligned} & \text{No. of paid-up shares} + \text{No. of PP shares} \\ & = \frac{(421,200,000 \times \text{Baht } 3.39) + (46,750,000 \times \text{Baht } 3.85)}{421,200,000 + 46,750,000} \\ & = \text{Baht } 3.44 \end{aligned}$$

Therefore, after the allotment of newly issued ordinary shares to specific investor, price dilution is - 1.47 %.

5.2 Control Dilution

No. of PP shares

No. of paid-up shares + No. of PP shares

$$\begin{aligned} & = \frac{46,750,000}{(421,200,000 + 46,750,000)} \\ & = 9.99\% \end{aligned}$$

Therefore, after the allotment of newly issued ordinary shares to specific investor, voting right of the existing shareholders will decrease by 20%.

5.3 Earnings Per Share Dilution

This type of dilution cannot be calculated as earnings per share of the Company for 3rd quarter of 2017 is negative.

Although there are possible impacts to shareholders as described above, such capital increase and allotment of newly issued ordinary shares to The Mall Group Company Limited, who is a strategic partner of the Company, shall enhance financial stability of the Company through cooperation and synergy among the group company. As a result, the Company shall increase its operating efficiency, presenting the opportunity for the Company to grow its business, which in turn, will generate return to shareholders in the future.

6. Opinion of the Board of Directors

6.1 Reason and necessity of capital increase

The capital increase and allotment of newly issued shares to specific investor is appropriate and for the best interest of the Company more than other fund raisings due to it is in line with investment plan and it will have a business partner which will enhance the Company's financial stability, resulting in a decrease in its finance costs in the future. In addition, it will increase competitiveness and business development of the Company, enabling the Company to grow with sustainability, which will ultimately result in return to the Company and its shareholders in the future. Since The Mall Group Company Limited is in lifestyle business, the same business category as the Company, the two group companies may create synergy among one another.

6.2 Proceed utilization plan and potential of utilization plan for proceeds from the offering of new ordinary shares

The Company shall utilize the proceeds from the issuing and offering of newly issued ordinary shares for partial repayment of loan to financial institutions within 3rd quarter of 2018 and as working capital for operations of the Company and its subsidiaries.

6.3 Reasonableness of capital increase, use of proceeds from the offering of new ordinary shares, new projects, and sufficiency of source of fund

The Board of Directors is of the opinion that the capital increase and allotment of newly issued shares will reduce liabilities from financial institution, including interest and other related expenses, resulting in financial stability and readiness in development of the Company's business. This will enable the Company to grow its business effectively. The Company expects that the proceeds received from capital increase, when combined with credit line and working capital as of present, will be sufficient for operating the Company's business according to its business plan. In addition, the Board of Directors is of the opinion that The Mall Group Company Limited is a reputable company and has strong financial position. The Mall Group has total assets of Baht 13,162.99 million and net profit of Baht 1,130.20 million therefore, it has a potential to invest in the Company.

6.4 Possible effect on the Company's business, financial positions, and operating results arising from capital increase and utilization of proceeds

The Board of Directors is of the opinion that the capital increase and allotment of newly issued shares will enhance the Company's financial stability. The Company will decrease its finance costs in the future, which will increase potential of the Company's business operation. Moreover, this will enable the Company to compete with its competitors effectively, creating growth in the Company's operating performance in the future. Such capital increase will also reduce the Company's debt to equity ratio. At present, The Mall Group Company Limited has not sent any representative to hold position as director of the Company.

6.5 Source for determination of offer price and appropriateness of offer price

The offer price to the specific investor of Baht 3.85 per share is an appropriate price when compared to the weighted average trading price of the Company's shares on the stock exchange during the past 7 consecutive business days before the date on which the board of directors' meeting resolved to approve to propose the issue, offer, and allotment of the Company's newly issued ordinary shares to specific person to the shareholders' meeting for consideration and approval, during 29 January 2018 to 6 February 2018, which is equivalent to Baht 3.39 per share. The offer price is not at a discount of more than 10% of the market price pursuant to the Notification of Capital Market Supervisory Board No. Tor Chor. 72/2558.

7. Certification regarding the capital increase by the Company's board of directors

The Board of Directors has carefully considered and monitored the information of The Mall Group Company Limited. It is believed that The Mall Group Company Limited is a reputable company with strong financial positions and has the capabilities to invest in the Company.

In case that any director fails to perform his/her duties with integrity or fails to exercise duty of care for the utmost benefits of the Company with regards to the capital increase and such failure causes damages to the Company, shareholders may, on behalf of the Company, claim for damages from such director pursuant to Section 85 of the Public Company Act B.E. 2535. If such failure to perform his/her duties results in the director or any related person gaining unlawful benefit, shareholders may, on behalf of the Company, exercise their rights to reclaim that benefits from the director pursuant to Section 89/18 of the Securities Exchange Act B.E. 2535.

8. Opinion of audit committee regarding the capital increase and allotment of newly issued shares to specific investor

All members of the audit committee attended the board of directors' meeting held on 7 February 2018 to consider the matter. The audit committee's opinion is not different from the opinion of the Board of Directors' Meeting No. 1/2018 held on 7 February 2018.

Yours sincerely,

- Mr. Matthew Kichodhan -

Mr. Matthew Kichodhan
Chairman and CEO