

Detail of the issue and offer for sale of warrants to purchase new ordinary shares of M Pictures Entertainment Public Company Limited to executive directors, managements and employees No. 2  
(ESOP # 2)

1. Objectives and necessities of the issuance and the offering for sale of warrants

The issuance and offer for sale of warrants by the Company is intended to enhance morale of its executive directors, managements, and employees who have taken part in the Company's past achievement and to motivate and reward the key personnel in order to retain them to work with the Company in the long term. This will be favorable to business and future performance of the Company and create the highest returns to the shareholders of the Company in the future.

2. Indicative features of the warrants

Issuer	:	M Pictures Entertainment Public Company Limited
Title	:	Warrants to purchase ordinary shares of M Pictures Entertainment Public Company Limited, offering to executive directors, managements, and employees of the Company and/or its subsidiaries No. 2.
Type	:	Registered and non-transferable warrant unless in the case as stipulated in Terms and Conditions of Warrant
Offering method	:	Offer to executive directors, managements, and employees of the Company and/or its subsidiaries. The warrants will not be offered through brokers. No more than 5% of MPIC-ESOP#2 has been offered to any person in this offering.
Term of warrants	:	5 years from the date of issue
Number of warrants offered for sale	:	12,998,000 units, representing 1.0% of all shares which have voting rights as of February 10 <sup>th</sup> , 2015

- Offering Price : THB 0
- Exercise Price : THB 1.84 However, the exercise price may be subjected to change as stated in the adjustment of rights and conditions provision under the Terms and Conditions of The Warrant. The exercise price is based on the weighted average price of 15 consecutive trading days prior to Board of Director Meeting (calculated based on the share price from Jan 20 to Feb 9, 2015 resulting in an average share price of THB 1.84).
- Exercise Ratio : 1 unit of warrant has the rights to purchase 1 new ordinary share. However, the exercise ratio may be subjected to change as stated in the adjustment of rights and conditions provision under the Terms and Conditions of The Warrant
- Issue Date : Will be issued within 1 year after approval from shareholders in the Shareholder Annual General Meeting. The board of directors and/or the designated person will later determine the issue date.
- Number of shares reserved for exercise of warrant : 12,998,000 shares at par value of THB1 per share or 1.0% of total 1,299,797,315 paid-up shares of the Company as of February 10<sup>th</sup>, 2015.
- The Company will offer these reserved shares to warrant holders in accordance with the term of the warrant.
- Reasons for issuing new ordinary shares to reserve the right adjustment : In case there is the adjustment of the exercise price and ratio according to the adjustment of rights and conditions provision under the Terms

and Conditions of The Warrant

- Secondary market for warrant : None
- Secondary market for ordinary shares : The Company will registered and listed the ordinary shares (as a result of the exercise of warrant) to The Stock Exchange of Thailand
- Registrar : M Pictures Entertainment Public Company Limited or the person assigned by the Company
- Exercise period and conditions : For all 12,998,000 units of warrants issued under this ESOP, warrant holders are entitled to exercise the warrant to purchase ordinary shares 13 times. The first exercise date (“the first exercise date”) shall be 2 years from the date of issue of warrants. The following exercise date (“the exercise date”) shall be on the last business day of March, June, September, and December. The 13th exercise date (“the last exercise date”) shall be on the maturity date of warrants.

The warrant holders can exercise their allotted warrants according to the following conditions:

**The first exercise date:** exercisable amount of 40% of the total number of warrants allotted to each warrant holder.

**The 2nd exercise date:** exercisable amount of 40% of the total number of warrants allotted to each warrant holder. (inclusive of the exercisable amount from the first exercise date)

**The 3rd exercise date:** exercisable amount of 40%

of the total number of warrants allotted to each warrant holder. (inclusive of the exercisable amount from the 1st to the 2nd exercise date)

**The 4th exercise date:** exercisable amount of 40% of the total number of warrants allotted to each warrant holder. (inclusive of the exercisable amount from the 1st to the 3rd exercise date)

**The 5th exercise date:** exercisable amount of 70% of the total number of warrants allotted to each warrant holder. (inclusive of the exercisable amount from the 1st to the 4th exercise date)

**The 6th exercise date:** exercisable amount of 70% of the total number of warrants allotted to each warrant holder. (inclusive of the exercisable amount from the 1st to the 5th exercise date)

**The 7th exercise date:** exercisable amount of 70% of the total number of warrants allotted to each warrant holder. (inclusive of the exercisable amount from the 1st to the 6th exercise date)

**The 8th exercise date:** exercisable amount of 70% of the total number of warrants allotted to each warrant holder. (inclusive of the exercisable amount from the 1st to the 7th exercise date)

**The 9th exercise date:** exercisable amount of 100% of the total number of warrants allotted to each warrant holder. (inclusive of the exercisable amount from the 1st to the 8th exercise date)

**The 10th exercise date:** exercisable amount of 100% of the total number of warrants allotted to

each warrant holder. (inclusive of the exercisable amount from the 1st to the 9th exercise date)

**The 11th exercise date:** exercisable amount of 100% of the total number of warrants allotted to each warrant holder. (inclusive of the exercisable amount from the 1st to the 10th exercise date)

**The 12th exercise date:** exercisable amount of 100% of the total number of warrants allotted to each warrant holder. (inclusive of the exercisable amount from the 1st to the 11th exercise date)

**The last exercise date:** exercisable amount of 100% of the total number of warrants allotted to each warrant holder. (inclusive of the exercisable amount from the 1st to the 12th exercise date)

Exercise notification period : Warrant holders must notify the intention to exercise the right to purchase shares of the Company within 7 (seven) business days prior to each exercise date during 9:00 a.m. to 4:00 p.m. The notification to exercise the right for the last exercise shall be 15 business days prior to the last exercise date.

Conditions for the right adjustment : To preserve the right of warrant holder, the Company shall adjust the exercise price and the exercise ratio throughout the life of the warrant when any of the following events occur:

- (1) Par change either share combination or share split;
- (2) Right offering (RO) and/or public offering (PO) and/or private placement (PP) either on the

same date or different dates with the average issuing price is less than 90% of the ordinary share's market price;

- (3) RO and/or PO and/or PP of securities converted to ordinary shares, such as convertible bond or warrant, at the average conversion price of less than 90% of the ordinary share's market price;
- (4) Stock dividend payment;
- (5) Cash dividend payment of more than 75% of the net profit (the Company Only Financials) of any fiscal year during the life of the warrant;
- (6) Any events not mentioned in (1) to (5) above that resulting adversely on the compensation that the warrant holder shall receive when exercising the right.

Other benefits : - None -

### 3. Necessity of offering securities

#### Appropriateness and the rationale behind the selected market price and the offering price

The Board of Directors has opined that a) the exercise price of THB1.84 is appropriate in persuading the personnel to put their best efforts to the Company's operations and b) the market price determination by referring to the 15-day weighted average trading price of the Company's shares prior to the Board resolutions of this offering (calculated from the trading price during January 20<sup>th</sup> and February 9<sup>th</sup>, 2015 at THB 1.84 per share) is reasonable and appropriate as it reflects the real trading price of the Company's shares.

### 4. Allotment method of the warrants

The Company will allot the warrants to executive directors, managements, and employees of the Company and/or its subsidiaries provided that the person must be an executive director, management, and employee of the Company and/or its subsidiaries on the date that the warrants are issued. The

Company's Board of Directors shall compile the list of executive directors, managements, and employees eligible for allotment as well as amount of the allotted warrants for each person. The amount of warrants allotted to each executive director, management, and employee may vary depending on the position and years of service.

5. List of executive directors and number of allotted warrants

Name	Position	Number of allotted warrants	% of total issue
Mr. Thanakorn Puriwekin	Chief Executive Officer	649,900	5.0

6. Details of executive directors, managements, and employees who will be allotted more than 5 percent of the total warrant issued.

- None -

7. Dilution effects of the issue and offer for sale of warrants on the shareholders

7.1 Price Dilution

In case all 12,998,000 units of warrant are exercised, the price dilution will be 0.0% based on the assumed market price of THB1.84 per share which is calculated from the weighted average of the Company's share price for the period of 15 consecutive trading days prior to the date of the Board of Directors Meeting (February 10, 2015) and the exercise price of THB1.84. Details of the calculation are as follow:

$$\text{Price Dilution} = \frac{\text{Market price} - \text{Market price after the warrant issue}^*}{\text{Market price}}$$

Market price after the  
warrant issue\* =

$$\frac{(\text{Market price} \times \text{Paid-up shares}) + (\text{Exercise price} \times \text{Reserved shares})}{(\text{Paid-up shares} + \text{Reserved shares})}$$

$$\begin{aligned}
 &= \frac{(1.84 \times 1,299,797,315) + (1.84 \times 6,498,998)}{(1,299,797,315 + 6,498,998)} \\
 &= 1.84 \\
 \text{Price Dilution} &= \frac{1.84 - 1.84}{1.84} = 0.0\%
 \end{aligned}$$

## 7.2 Control Dilution

Incase all 12,998,000 units of warrant are exercised, with the Company having a paid-up shares of 1,299,797,315 shares, the control dilution will be 1.0%. Details of the calculation are as follow:

$$\begin{aligned}
 \text{Control Dilution} &= \frac{\text{Reserved shares}}{\text{Paid-up shares} + \text{Reserved shares}} \\
 &= \frac{12,998,000}{1,299,797,315 + 12,998,000} = 1.0\%
 \end{aligned}$$

## 8. Main exercise procedures and conditions

8.1 The warrant holder must be an executive director, a management, or an employee of the Company and/or the Company's subsidiaries at the exercise date except in the event specified in clauses 8.2-8.3

8.2 If the warrant holder ceases to be an executive director, a management, or an employee as a result of death, disappearance by the court order, or becomes an incompetent or quasi-incompetent person, his/her rightful heir or guardian on behalf of such warrant holder shall has the right to exercise the warrant throughout the term of the warrant.

8.3 If the warrant holder a) retires according to the Company Policy or b) rotates or transfers his/her position as a result of Board of Directors' decision but he/she is still an executive director, a management, or an employee of the Company and/or its subsidiaries during the term of warrants, he/she still has the right to exercise the warrant throughout the term of warrant.

If the warrant holder ceases to be an executive director, a management or an employee of the Company and/or its subsidiaries for any reason, other than retirement, transfer of position, and those



specified in 8.2-8.3, such warrant holder will no longer be entitled to exercise the allotted warrant and the remaining warrants held by the holder will be considered void immediately.

8.4 If the warrant holder does not use the right to exercise until expiry of the warrant, or does not act in accordance with the conditions stated in the Terms and Conditions of the Warrants, the remaining warrants held by the holder will be considered void immediately and the warrant holder cannot ask for any compensation from the Company.

**9. Obligation between the Company and its directors, executives and employees on the allotment of warrants**

As stated in the Terms and Conditions of The Warrant

**10. Right of shareholders to object the issuance and the offering for sale of warrants**

According to Clause 9 of the Notification of the Capital Market Supervisory Board No. Tor. Jor. 32/2551 Re: Offering Newly-issued Shares to the Directors or Employees dated 15 December 2008, this issue and offer for sale of warrants to directors and employees of the Company requires the approval from the shareholders by the vote of not less than three-fourths of the total number of votes held by the shareholders who are presented at the meeting and entitled to vote, provided that no more than 10% of the total number votes held by shareholders who are presented at the meeting and entitled to vote, object the issue and offer for sale of warrants aforesaid.

**11. List of independent directors who the shareholders may authorize as the their proxies to attend the meeting and exercise shareholders' right**

#	Name	Number of allotted warrants
1	Mr. Thanachai Santichaikul	-
2	Mr. Attapon Chodchoy	-