



Attachment 2

(F 53-4)

CAPITAL INCREASE REPORT FORM
THAI FACTORY DEVELOPMENT PUBLIC COMPANY LIMITED
23 May 2016

Thai Factory Development Public Company Limited ("the Company") hereby report of the resolution of the Board of Directors' Meeting No. 7/2016, held on 23 May 2016 at 2.00 pm. in respect of capital increase and share allotment as follows:

1. Capital Increasing

The meeting of the Board of Directors passed a resolution approving the increase of the Company's registered capital from Baht 1,283,501,405 to Baht 2,096,335,206 by issuing 812,833,801 new ordinary shares with par value of Baht 1 per share, totaling Baht 812,833,801. Details of the each type of capital increase are as follows:

Type of capital increase	Type of share	Number of shares (shares)	Par value (Baht/share)	Total (Baht)
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds	Ordinary	427,833,801	1	427,833,801
	Preferred	-	-	-
<input checked="" type="checkbox"/> General mandate	Ordinary	385,000,000	1	385,000,000
	Preferred	-	-	-

2. Allotment of the newly issued ordinary shares

The meeting of the Board of Directors passed a resolution approving the allotment of issuing 812,833,801 new ordinary shares with par value of Baht 1 per share, totaling Baht 812,833,801. Details of the each type of capital increase are as follows:

2.1 If specifying the purpose of utilizing proceeds

Allotted to	No. of shares	Ratio	Selling Price per share (Baht)	Subscription Date	Remarks
Reserved for the exercise of Warrant No.4 (TFD-W4), which is allotted to existing shareholders	427,833,801	3 : 1	3.50	-	Please see details of TFD-W4 as Attachment 3.



2.2 If under a general mandate

Allotted to	Type of shares	Number of shares (shares)	Percentage of paid-up capital	Note
Existing shareholders	Ordinary Preferred	385,000,000 -	30.00 -	Please see details as note below

Note : The Board of Directors' Meeting No. 7/2016, held on 23 May 2016 resolved as follows:

- Approved to decrease registered capital of the Company from Baht 1,914,911,170 to Baht 1,283,501,405 by canceling non allotment of 631,409,765 ordinary shares with par value of Baht 1 per share.
- Approved to increase registered capital of the Company from Baht 1,283,501,405 to Baht 2,096,335,206 by issuing 812,833,801 new ordinary shares with par value of Baht 1 per share.

Details of the allotment of new issued ordinary shares are as follows:

- 1) Amount not exceeding 427,833,801 new ordinary shares or equal 33.33% of the current paid-up capital of the Company, reserved for the exercise of TFD-W4, which offers to existing shareholders, in proportion of shareholdings without charge, at the ratio of 3 existing shares to 1 unit of TFD-W4 (fractions will be discarded). The exercise price is Baht 3.50 share and term of warrant is 2 years.

Therefore, the Board of Directors and/or the Executive Committee and/or Executive Chairman and/or Managing Director and/or the person(s) who is authorized by the Board of Directors and/or the Executive Committee and/or Executive Chairman and/or Managing Director shall be authorized to determine or change terms, conditions and other details including but not only limited to exercise price, exercise ratio, allotment and issuance date including the authority to consider the necessity of the issuance of new ordinary share to accommodate an adjustment or changes in the exercise price and/or exercise ratio related to TFD-W4, and shall also be empowered to take any necessary actions as appropriate regarding the issuance and offering of TFD-W4 and listing TFD-W4 on the Stock Exchange of Thailand as well as to proceed for necessary approval from relevant authorities.

Moreover, the Company has set the record date for collecting the names of shareholders who are entitled to receive TFD-W4 on 6 July 2016 and the gathering of the shareholders' name in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 by closing the share registration book on 7 July 2016.



- 2) Amount not exceeding 385,000,000 new ordinary shares or equal 30.00% of the current paid-up capital of the Company, offered to existing shareholders under general mandate type.

Therefore, the Board of Directors and/or the Executive Committee and/or Executive Chairman and/or Managing Director and/or the person(s) who is authorized by the Board of Directors and/or the Executive Committee and/or Executive Chairman and/or Managing Director shall be authorized to allot and offer in same time or to separate into partial for offering in lots from time to time and have right to take any necessary actions as appropriate regarding to the offering of such increased ordinary shares, e.g. set XR date, objectives of new ordinary shares offering, offering price, subscription period, allotment ratio, allotment method and the payment process, etc., including change of the subscription period and payment and determining other conditions and details in issuing and offering of such increased shares as deemed appropriate, including the authority to correct wording or contents for minutes of shareholders' meeting or Memorandum of Association and/or others application and/or the various necessary actions in compliance with the order of Registrar in relation to the registration of registered capital increase with Department of Business Development, Ministry of Commerce from time to time in accordance with the payments of the subscriber(s) in each time, including listing the increased shares in the Stock Exchange of Thailand and submission of information and documents to the Securities and Exchange Commission, the Stock Exchange of Thailand, Ministry of Commerce or other relevant authorities.

This allocation of new shares to existing shareholders will be completed before the next date of the Annual General Meeting of Shareholders or within the date of the Annual General Meeting of Shareholders, which be determined by the law, whichever date is earlier.

2.3 The Company's plan in case there is a fraction of shares remaining

Any remaining shares shall be disregarded

2.4 The Excess of Share Allotment

As of 23 May 2016, the Company has non allotment of new ordinary shares in an amount of 631,409,765 shares with par value of Baht 1 per share, totaling Baht 631,409,765, according to the Board of Directors' Meeting No. 7/2016, held on 23 May 2016 passed resolution of the decrease those whole of registered capital before these increase capital.



3. Schedule for the shareholders' meeting to approve the capital increase and allotment

The Extraordinary General Shareholders' Meeting No. 1/2016 shall be held on 27 June 2016 at 2.00 pm. at Sathorn I Room, Mezzanine, Anantara Bangkok Sathorn, located at No. 36 Naratiwas-Rachanakarin Road, Kwaeng Yannawa, Khet Sathorn, Bangkok. The determination of the shareholders, who shall be entitled to attend the meeting, shall be made on the Record Date of 6 June 2016 and the gathering of the shareholders' name in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 by closing the share registration book on 7 June 2016.

4. Approval of the capital increase / share allotment by relevant governmental agency and condition for such approval (if any)

- 4.1 Approval of the Extraordinary General Shareholders' Meeting No. 1/2016 on the decrease and increase of registered capital and other related matter.
- 4.2 The Company will register the decrease and increase of registered capital and the change of paid-up capital with Ministry of Commerce and will amend the clauses that related to the decrease and increase of capital in the Memorandum of Association.
- 4.3 The Company will submit the application form to the Stock Exchange of Thailand for approval of TFD-W4 that be allotted to existing shareholders, ordinary shares from exercising of TFD-W4 and new ordinary shares that be allotted to existing shareholders to listing and trading in the Stock Exchange of Thailand.

5. Objectives of the capital increase and capital utilizing plans from the exercise of TFD-W4

- 5.1 To use as a working capital of the Company and/or for the expansion of the business of the Company.
- 5.2 To adjust the capital structure to be appropriate and reduce the risk of relying on funding from the loan.
- 5.3 To reserve for the exercise of TFD-W4.

6. Benefits which the Company will receive from the capital increase / share allotment (reserved for the exercise of TFD-W4)

- 6.1 To enhance the Company's liquidity and working capital
- 6.2 To have sufficient capital for supporting the current business operation and reserve for business expansion in the future. It will affect to raise profitability and the Company's performance trend will be better in the future.
- 6.3 To strengthen the Company's financial position, as a result of receiving money from exercise of TFD-W4.



7. Benefits which the shareholders will receive from the capital increase/share allotment (reserved for the exercise of TFD-W4)

The strong and stable financial status of the Company will lead the Company to the strong growth potential and business expansion. It will thereby benefit the Company's share value in the future.

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

In compliance with the Notification of the Capital Market Supervisory Board No. TorChor. 73/2558 Re: List of Information Disclosed in the Notice of the Meeting of Shareholders of Listed Company to Ask for Approval of Issuance and Offering of Securities, the Company would like to further clarify information regarding the allocation of newly issued ordinary shares of the Company served for the exercise of TFD-W4 as follows:

Reason and Necessity for Capital Increase

The reason and necessity for the capital increase is to reserve the exercise of the TFD-W4 to be issued and offered to existing shareholders in proportion of shareholdings for use as its working capital. The Board of Directors considered several options for fund-raising such as offering newly-issued shares to private placement scheme and/or offering newly-issued shares to the existing shareholders in proportion of shareholdings. After consideration, the Board of Directors deemed that these issued and offered of the TFD-W4 are the most appropriate fund-raising option due to it would not affect the profit sharing or the voting rights of existing shareholders (control dilution) if all existing shareholders exercise to purchase ordinary shares in proportion of their shareholding. And the determination The exercise price higher than the market price due to it would not cause a share price decrease (price dilution). Moreover, the adjustment of the capital structure of the Company would be more appropriate. In case there are fully exercised, the Company will receive a total of approximately Baht 1,500 Million. Debt to Equity ratio (D/E ratio) of the Company will be reduced from the current 4.60 times to 2.45 times. Consequently, the Company's liquidity and financial position will be improved, as a result the Company to be able to access more sources of financial capital.

The feasibility of the capital utilising plan (from the exercise of TFD-W4) and the sufficiency of capital resources.

The company will utilise capital received from the exercise of TFD-W4 approximately Baht 1,500 Million as working capital for the current projects development. If the company received partial capital due to existing shareholders of the Company unexercised or partially exercised TFD-W4, The Company can provision loan from financial institutions instead of it.



These approval of the capital increase and issued TFD-W4, the Board of Director of the Company has performed his duty with loyalty and due care to preserve the interests of the Company and its shareholders. In the case of any act or omission by a director causes damage to the Company, a shareholder may bring an action to sue and claim compensation against such director on behalf of the Company pursuant to the Section 85 of the Public Limited Companies Act B.E. 2535, and if such omission causes such director or any related person(s) to obtain undue benefits, a shareholder may be entitled to bring an action to sue and claim such benefits against such director on behalf of the Company pursuant to the Section 89/18 of the Securities and Exchange Act B.E. 2535.

9. Schedule of action where the Board of Directors of the Company passes a resolution approving the capital increase / share allotment

Procedure	Date
Board of Directors' Meeting to approve the increase of registered capital, the allocation of newly issued ordinary shares and related matters.	23 May 2016
Date to determine the shareholders' right to attend the Extraordinary General Shareholders' Meeting No. 1/2016 (Record Date)	6 June 2016
Date of closing of share register book to collect a list of shareholders to attend the Extraordinary General Shareholders' Meeting No. 1/2016 under Section 225 of the Securities and Exchange Act B.E. 2535	7 June 2016
Extraordinary General Shareholders' Meeting No. 1/2016	27 June 2016
Date to determine the shareholders' right to receive TFD-W4 (Record Date)	6 July 2016
Date of closing of share register book to collect a list of shareholders to receive TFD-W4 under Section 225 of the Securities and Exchange Act B.E. 2535	7 July 2016
Registration of the resolution of capital reduction, capital increase and related matters at Ministry of Commerce	Within 14 days after the Extraordinary General Shareholders' Meeting date approves the capital reduction/increase
Date to allotment new ordinary shares to existing shareholders (General Mandate)	will be determined after obtained the approval from this Extraordinary General Shareholders' Meeting



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

A handwritten signature in blue ink, appearing to read 'Gumpol Tiyarat'.

Signature_____ Authorized Company Director

(Mr Gumpol Tiyarat)

Managing Director