

(F 53-4)

CAPITAL INCREASE REPORT FORM
THAI FACTORY DEVELOPMENT PUBLIC COMPANY LIMITED
March 14, 2018

Thai Factory Development Public Company Limited (“the Company”) hereby report of the resolution of the Board of Directors’ Meeting No. 3/2018, held on March 14, 2018 at 11.00 a.m. in respect of capital increase and share allotment as follows:

1. Capital Increasing

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 Preferred*	291,611,154 -	1 -	291,611,154 -
<input type="checkbox"/> General mandate	Ordinary Preferred	- -	- -	- -

Note : * This remaining newly issued ordinary shares were allotted to Private Placement on June 23, 2017 and August 22, 2017 amount 125,000,000 shares, and to existing shareholders (Right Offering) on 20-22 December and 25-26 December 2017 amount 166,611,154 shares. Therefore the total amount of remaining newly issued ordinary shares is 291,611,154 shares. The resolution of 2017 Annual General Meeting of Shareholders held on April 28, 2017 has approved the capital increase by issuing 1,265,457,944 newly issued ordinary shares with par value of Baht 1 per share for the allotment to the existing shareholders (Right Offering) amount not exceeding 407,728,972 shares, the allotment to Private Placement amount not exceeding 400,000,000 shares, reserved for the exercising of TFD-W5 which offering to the existing shareholders who subscribe for newly issued ordinary shares amount not exceeding 407,728,972 shares and reserved for the right adjustment of TFD-W4 amount not exceeding 50,000,000 shares. In which the 2017 Annual General Meeting of Shareholders had approved the Company to allot the remaining newly issued ordinary shares from the subscription of existing shareholders to the Private Placement and have to comply under the Notification of the Capital Market Supervisory Board No. Tor Jor. 72/2558 Re: Approval for the Listed Companies to Offer Newly Issued Shares to Investors in Private Placement, and the allotment must be complete within 12 months from the date of the 2017 Annual General Meeting of Shareholders approved such offering shares which will be expire on April 28, 2018. However in order to increase the opportunity for the Company to seek investor who interested to invest in the Company’s business, the Board of Directors meeting No.3/2018 held on March 14, 2018 had approved to adjust the price condition and extend the offering period for 12 months.

2. Allotment of the newly issued ordinary shares

The meeting of the Board of Directors passed a resolution approving the allotment of issuing 291,611,154 newly ordinary shares with par value of Baht 1 per share, totaling Baht 291,611,154. 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
1. Investors in private placement	291,611,154	-	Please see details as note below	Please see details as note below	Please see details as note below

Note : About the allotment of newly issued ordinary shares amount not exceeding 291,611,154 shares with par value of Baht 1 per share to private placement, the Board of Directors meeting No.3/2018 held on March 14, 2018 had approved to revise the price condition and extend the offering period for 12 months. However the objectives of the capital increase, the capital utilizing plans, the allotment method and other details concerning the allotment of newly issued ordinary shares to the private placement shall be the same as approved by the resolution of the 2017 Annual General Meeting of Shareholders which the details are as follows;

The newly issued ordinary shares amount not exceeding 291,611,154 or equal 13.58% of the current paid-up capital of the Company, for offering in entirety or in portions for offering in lots from time to time to private placement categorized under the Notification of the Capital Market Supervisory Board No. Tor Jor. 72/2558 Re: Approval for the Listed Companies to Offer Newly Issued Shares to Investors in Private Placement which such persons are not connected persons of the Company according to the Notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 Re: Rules on Connected Transactions 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 B.E. 2546 (2003) and amended, whereby 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 have the authority to determine the offering price of the shares at the best market price in accordance with the market condition during the offering period to the investor(s) shall not lower than one of the following price:

- (A) The weighted average of share price trading on the Stock Exchange of Thailand ("SET") for not less than 7 consecutive trading days but not exceeding 15 consecutive trading days prior to the determination date of the offering price of such shares in each time ("Market Price"), whereby such weighted average of share price is required to use the average price of shares trading in each day. Provide that, the determination date of offering price is required to backward not exceeding 3 trading days prior to the first date of offering shares to the investor(s). However, the Board of Directors of the Company may determine the discount on the offering price but shall not exceed 10% of such Market Price.
- (B) The price which is determined by the book building method surveyed by the securities company.

In this regard, 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 offer the entire shares within the period not exceeding 12 months from the date of the Shareholders meeting of the Company has resolved to revise the price condition and extend the offering period for 12 months as mentioned above.

For the allotment and offering of capital increase ordinary shares of the Company above, 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 have the authorities to consider the fixing of other details regarding the allotment and offering of capital increase ordinary shares, such as searching of investors in private placement; fixing of the terms, conditions and details regarding the allotment and offering of capital increase ordinary shares and/or allot newly issued ordinary shares as consideration for the acquisition; negotiation, entry into agreement and execution of relevant documents and agreements regarding the allotment and offering of capital increase ordinary shares; and execution of applications for permission and necessary and relevant evidence regarding such allotment and offering of capital increase ordinary shares, including determining other conditions and details in issuing and offering of such increased shares as deemed appropriate, as well as the authority to correct wording or contents for minutes of shareholders' meeting or Memorandum of Association and/or others application and/or the various actions necessary 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.

The above allocation of newly issued ordinary shares to private placement in any case shall not enable any investors to hold the Company's shares in an increasing nature reaching or crossing the trigger point where a tender offer must be made, as prescribed in the Notification of the Capital Market Supervisory Board No. Tor Jor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers, or in violation of the foreign limit as specified in the Company's Articles of Association.

2.2 If under a general mandate

Allotted to	Type of shares	Number of shares (shares)	Percentage of paid-up capital	Note
-	Ordinary Preferred	- -	- -	-

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

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

The Annual General Shareholders' Meeting for fiscal year 2018 shall be held on April 27, 2018 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 March 30, 2018.

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

4.1 The application for approval of the offering of newly issued ordinary shares to private placement shall be deemed as the approval from the Office of Securities and Exchange Commission when the Company shall comply with the rules as specified in the Notification of the Capital Market Supervisory Board No. Tor Jor. 72/2558 Re: Approval for the Listed Companies to Offer Newly Issued Shares to Investors in Private Placement.

4.2 The Company will submit the application form to the Stock Exchange of Thailand for approval of newly issued ordinary shares that be allotted to private placement to listing and trading in the Stock Exchange of Thailand.

5. Objectives of the capital increase and capital utilizing plans

Shares that allocated / Objectives of capital increase	Approx. amount of capital utilized * (Million Baht)	Estimated timing of utilizing the capital increased
1. Money received from capital increase (Private Placement : PP) To reserve for investment on existing of development projects or future projects and/or repayment debt and/or use as working capital	464.54	Year 2018-2019

Note : * The abovementioned amount of capital utilized is estimated from the offering price to private placement which is Baht 1.593 per share with a discount of 10% from the current market price of the Company's share of Baht 1.77 per share. It was calculated from the weighted average of share price trading on the Stock Exchange of Thailand for 15 consecutive trading days prior to the date of the Board of Directors' Meeting as between February 20, 2018 – March 13, 2018. Therefore the money that the Company will receive might be changed, depends on the offering price that will be specified later and number of shares that offers in the future.

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

- 6.1 To add liquidity to the Company and to use as working capital in the business.
- 6.2 To have sufficient capital to support investment in the currently business of the Company and supporting for business expansion in the future. These will affect to raise profitability and the Company's performance trend will be better in the future.
- 6.3 To enhance the Company's liquidity and to reduce the burden of loans from financial institutions which make the Company's finance costs lower.

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

7.1 Policy of Paying Dividend

The Company shall pay dividend at the rate not less than 60% of the Company's net profit (the Company only) if the Company has enough profit to pay unless the Board of Directors and shareholders of the Company have reasons to not pay or pay at a lower rate than mention above. Therefore, the Board of Directors may consider interim dividend from time to time as appropriate.

7.2 Rights in Dividend for Subscribers of Capital Increase

Subscribers in capital increase ordinary shares in this occasion are entitled to receive dividend from operation effecting from the day of registration to become shareholders of the Company.

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. Tor. Chor. 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 to private placement as follows:

1. The objectives of the capital increase and capital utilizing plans

To reserve for investment in existing business of the Company and its subsidiaries and to expand investment in new projects such as industrial estate project and residential condominium projects etc. According to the Company's business plan, in year 2018 – 2019, the Company and its subsidiaries needed to invest and develop projects of approximately Baht 2,425 million, by 75% of its investment would be loans from financial institutions and/or issuance of debentures, the rest will be cash flow from the projects, for example; money from reservation and deposit including working capital of the Company and its subsidiaries. However, in order to reduce risk of inadequate investment in the development of the projects, the Company has a policy to use money that receive from the offering of newly issued ordinary shares to private placement to invest in the Company's projects, repayment debt and/or to use as working capital in business of the Company and its subsidiaries. In this regards, the Company expects that the capital received from the capital increase at this time will enhance the financial status of the Company and when combined with the Company's existing assets and the revenue generated from the current business operations of the Company, will enable the Company to achieve its objectives and its specified plans for utilizing the fund.

2. Dilution effect to shareholders from the offering of newly issued ordinary shares to private placement

The impact on the shareholders who may incur from the offering of new ordinary shares to private placement are as follows:

(1) Price Dilution

The price dilution could not be calculated since the offering price is not yet to be determined, whereby 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 have the authority to determine the offering price of the shares at the best market price in accordance with the market condition during the offering period. Moreover, if calculate from the current market price of the Company's share of Baht 1.77 per share (calculate from the weighted average of share price trading on the Stock Exchange of Thailand for 15 consecutive trading days prior to the date of the Board of Directors' Meeting as between February 20, 2018 to March 13, 2018). In case the Company offer the shares to private placement with a discount of 10% from the current market price, the price dilution will be as follows;

$$\begin{aligned} &= \frac{(\text{Market price before offering} - \text{Market price after offering}^*)}{\text{Market price before offering}} \\ \text{By which} \\ * \text{ Market price after offering} &= \frac{(\text{Market_price} \times \text{Paid-up shares}) + (\text{PP price} \times \text{Shares offering to PP})}{(\text{Paid-up shares} + \text{Shares offering to PP})} \\ &= \frac{(1.77 \times 2,147,033,706) + (1.593 \times 291,611,154)}{(2,147,033,706 + 291,611,154)} \\ &= \text{Baht 1.75 per share} \\ &= \frac{(1.77 - 1.75)}{1.77} \\ &= 1.13\% \end{aligned}$$

Therefore, if calculate the offering newly issued ordinary shares to private placement with a discount of 10% from the current market price of the Company at the price of Baht 1.593 per share, the price dilution will be diluted by 1.13%.

(2) Control Dilution

$$\begin{aligned} &= \frac{\text{Number of shares offering to PP}}{(\text{Paid-up shares} + \text{shares offering to PP})} \\ &= \frac{291,611,154}{(2,147,033,706 + 291,611,154)} \\ &= 11.96\% \end{aligned}$$

Therefore regarding the capital increase to private placement, the control dilution of shareholders will be diluted by 11.96%

(3) Earnings per share dilution

$$= \frac{(\text{Earnings per shares before offering} - \text{Earnings per share after offering})}{\text{Earnings per shares before offering}}$$

By which

Earnings per shares before offering = net profits / total issued shares before offering
Earnings per shares after offering = net profits / total issued shares after offering

This offering has no effect on EPS dilution due to the Company has net loss.

However, although the capital increase and the allotment of the capital increase shares to private placement will impact on the shareholders with the details as prescribed above, such capital increase and allotment of newly issued ordinary shares will enhance the Company's financial status to be strength and stability including for repayment to debts, resulting in the lower cost of borrowing of the Company in the future and also enables the expansion in the investment and the business operation of the Company to be even more effective.

3. Opinion of the Board of Directors of the Company

(1) Reason and necessity of capital increase

The Board of Directors deemed that the capital increase and the allotment of the said capital increase shares to private placement will enhance the Company's financial status to be strength and stability, as well as enhance the liquidity of the Company including these shall make the Company has lower financial cost. The proceeds to be gained can be used to monetize the investment and develop the Company which will generate returns for the Company and its shareholders in the future. The Company needs to reserve capital for developing projects of the Company and its subsidiaries and/or repayment debt and/or for working capital. Period of the allotment of newly issued ordinary shares to private placement is short and fast. Also, it can be expected the amount of money received more exact than the offering of newly issued ordinary shares to the existing shareholders. Therefore, the offering of some of the capital increase shares to private placement who have potential for capital will allow the Company to receive the required amount of funding and be able to raise funds within a short period of time and it does not burden the existing shareholders too much. Moreover the Board of Directors considered that because of the current market price is lower than Baht 2.00 per share, therefore the offering price should be specified by concerning the market price, in order to have more opportunity to seek the investor(s) who is interested to invest in newly issued ordinary shares of the Company.

(2) Feasibility of plans for utilizing the fund received from the offering shares

The Board of Directors deemed that in case the Company can allocate the said capital increase shares to private placement within a short period of time, it will enable the Company to effectively achieve its objective of this capital increase pursuant to financial plan that was specified, which will gain the business of the Company. However, the capital raising plan from private placement, the Company will use as a reserve channel to raise funds for the developing projects of the Company and its subsidiaries and/or repayment debt and/or use as working capital. Thus, such allocation of capital increase the Board of Directors will consider the necessity of using the capital, potential impact on the existing shareholders and the benefits that the Company and the shareholders will receive in the future, etc.

(3) Reasonableness of the capital increase, plans for utilizing the fund received from the offering shares and project to be operated including sufficiency of source of fund

The Board of Directors deemed that currently the Company has to raise fund from financial institutions and through fundraising by issuing various types of debt securities, as a result that the Company has huge amount of outstanding interest and fees and other relevant cost. Although in the last year. The Company raised capital to repay debt, to use for expansion and developing business and use as working capital. As a result, the Company's debt to equity ratio as of December 31, 2016 was 3.48 times, down to 2.86 times as of December 31, 2017. However The Board of Directors still deemed that the capital increase and the allotment of the newly issued ordinary shares to private placement will be funding channel to help the Company to reduce the financial burden and reduce the risk in financing from loans and also enhance the Company's financial status to be strength and stability and has readiness in carrying out the objectives mentioned above effectively. The Company expects that the amount to be received from the capital increase to private placement shall make the Company to have sufficient capital to run the business and develop the projects of the Company and its subsidiaries as planned.

(4) Expected effect incurred to the business operation of the Company, financial status and performance results of the Company due to the capital increase and operation in accordance with the utilizing plan or project

The Board of Directors deemed that the capital increase and the allotment of newly issued ordinary shares to private placement will be beneficial to the business operation of the Company and will enhance the Company's financial status to be strength and stability, as well as enhance the liquidity of the Company including these shall make the Company has lower financial cost. This also enables the expansion in the investment and the business operation of the Company and its subsidiaries. As a result, the business operation of the Company has a tendency to growth in the future. In addition, this capital increase will help reduce the debt-to-equity ratio of the Company and increase the potential for borrowing loans in the future.

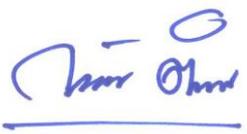
4. Certification of the Board of Directors of the Company regarding the capital increase

In the case where the directors of the Company do not perform their duty with honesty and care to preserve the benefit of the Company in relation to the capital increase, If such omission of performance causes damage to the Company, the shareholders are entitled to file a lawsuit to claim for damages from such director on behalf of the Company as specified in Section 85 of the Securities and Exchanges Act B.E. 2535. In addition, if such omission of performance causes a director or his/her related person to obtain undue benefit, the shareholders shall be entitled to file a lawsuit to reclaim for benefits from such director on behalf of the Company as specified in Section 89/18 of the Securities and Exchanges 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.	March 14, 2018
Date to determine the shareholders' right to attend the Annual General Shareholders' Meeting for fiscal year 2018 (Record Date)	March 30, 2018
The Annual General Shareholders' Meeting for fiscal year 2018	April 27, 2018
Date to allotment newly issued ordinary shares to private placement	Depending on the suitability of the capital market status which shall not exceed 12 months after obtained the approval from this Annual General Shareholders' Meeting
Registration of the paid-up capital and other related matters at Department of Business Development Ministry of Commerce	Within 14 days after the last offering date

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



Signature..... Authorized Company Director
 (Mr. Gumpol Tiyarat)
 Managing Director