

(F 53-4)

CAPITAL INCREASE REPORT FORM
THAI FACTORY DEVELOPMENT PUBLIC COMPANY LIMITED
16 October 2014 (updated version)

Thai Factory Development Public Company Limited (“the Company”) hereby report of the resolution of the Board of Directors’ Meeting No. 18/2014, held on 16 October 2014 at 4.00 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 1,263,911,170 to Baht 1,914,911,170 by issuing 651,000,000 new ordinary shares with par value of Baht 1 per share, totaling Baht 651,000,000. 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	651,000,000	1	651,000,000
<input type="checkbox"/> General mandate	Ordinary	-	-	-

2. Allotment of the newly issued ordinary shares

The meeting of the Board of Directors passed a resolution approving the allotment of issuing 651,000,000 new ordinary shares with par value of Baht 1 per share. Details of the each type of capital increase are as follows:

2.1 The Details of Allotment

Allotted to	No. of shares	Ratio	Selling Price per share (Baht)	Subscription Date	Remarks
1) Specific investors (Private Placement)	200,000,000	-	See note below	See note below	-
2) General investors (Public Offering)	120,000,000	-	To be determined after obtained the approval from the SEC		-
3) Reserved for the exercise of Warrant No.3 (TFD-W3), which is allotted to existing shareholders	318,000,000	5 : 1	5.00		-
4) Reserved for the ratio adjustment of TFD-W2	13,000,000	-	-		Please see details of TFD-W3 as Attachment 3.

Note : The Board of Directors' Meeting No. 18/2014, held on 16 October 2014 resolved as follows:

- Approved to decrease registered capital of the Company from Baht 1,499,861,190 to Baht 1,263,911,170 by canceling 235,950,020 ordinary shares at the par value of Baht 1 per share (except the issued of ordinary shares remaining to 180,410,965 shares which have been reserved for exercise of TFD-W2).
- Approved to increase registered capital of the Company from Baht 1,263,911,170 to Baht 1,914,911,170 by issuing 651,000,000 new ordinary shares with par value of Baht 1 per share. Details of the allotment of the new issued ordinary shares are as follows:
 - 1) Amount not exceeding 200,000,000 new ordinary shares to be allotted to private placement and/or institutional investors and/or specific investors categorized pursuant to the Notification of the Capital Market Supervisory Board No. Tor Jor 28/2551 re: the Application and Permission for Offering Newly Issued Shares, provided that such persons are not connected persons 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 Transaction B.E. 2546 and/or the Notification of Capital Market Supervisory Board No. Tor Jor 21/2551 Re: Rules of Entering into Connected Transactions. It will be offered once or several times and the offering price of new ordinary shares must be not less than 90% of the weighted average price of shares traded in the Stock Exchange of Thailand respectively between 7 - 15 consecutive trading days prior each first private placement's offering date.

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 actions necessary as appropriate regarding to the offering of such increased ordinary shares, e.g. the final offer price, the subscription period, 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 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.

- 2) Amount not exceeding 120,000,000 new ordinary shares to be allotted to general investors ("Public Offering") pursuant to the Notification of the Capital Market Supervisory Board Tor Jor 28/2551 re: the Application and Permission for Offering Newly Issued Shares, at the offering

price is not less than 90% of the weighted average price of shares traded in the Stock Exchange of Thailand respectively between 7 - 15 consecutive trading days prior to the Public Offering's price determination date.

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 consider, determine and/or modify the conditions and/or details with regards to the allotment and offering of such new issued ordinary shares by way of the Public Offering set out above, e.g. the final offer price, the subscription period, the payment process, etc., which shall be determined after the approval to allot and offer the new ordinary shares from the Securities and Exchange Commission. An authorized person shall also be empowered to sign any relevant documents and to do any other action which is necessary or appropriate for, or in connection with, the issuance, offering and the allotment of new ordinary shares including to the appointment of underwriter(s), providing information, preparation, signing and submission of the application, prospectus, contract and/or other documents to the Securities and Exchange Commission, the Stock Exchange of Thailand, Thailand Securities Depository Company Limited, Ministry of Commerce and any other relevant authorities as well as listing such new ordinary shares to the Stock Exchange of Thailand.

- 3) Amount not exceeding 318,000,000 new ordinary shares to be reserved for the exercise of TFD-W3, which offers to the existing shareholders in proportion of shareholdings without charge, at the ratio of 5 existing shares to 1 unit of warrant (fractions will be discarded). The exercise price is Baht 5.00 per share. Details of summary of preliminary details of TFD-W3 are shown in Attachment 3.

Therefore, the Board of Directors shall be authorized to set the closing date of registration book determining the list of shareholders who are entitled to receive an allocation of TFD-W3 which will be proceeded after an approval of the shareholders' meeting to issue and offer of TFD-W3 and the allocation of full or in a part of new ordinary shares to Private Placement and/or the allocation of new ordinary shares Public Offering is already finished and authorized to 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 issue 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-W3, and shall also be empowered to take any actions necessary as appropriate regarding the issuance and offering of TFD-W3 and listing TFD-W3 on the Stock Exchange of Thailand as well as to proceed for necessary approval from relevant authorities.

- 4) Amount not exceeding 13,000,000 new ordinary shares to be reserved for the ratio adjustment of the Warrants to purchase ordinary shares of the Company, Series 2 ("TFD-W2"). The Company will adjust the right of TFD-W2, when TFD-W3 have be allocated to existing shareholders already, to comply with the condition specified in the Terms and Conditions of TFD-W2 Clause 1.4 (d).

In addition, the Company shall issue and allot of full or in a part of new ordinary shares to Private Placement after that the Company will consider the order of issuance and allotment of new ordinary shares to Public Offering and the offering of TFD-W3, as appropriate again. Thereafter 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 consider the offering of new ordinary shares to Public Offering which shall be occurred before or after the offering of TFD-W3, as deemed appropriate.

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

Any shares remaining shall be discarded

2.3 The Excess of Share Allotment

As of 16 October 2014, the Company has non allotment of new ordinary shares in an amount of 235,950,020 shares with par value of Baht 1 per share, totaling Baht 235,950,020 (excluding the issued of ordinary shares remaining to 180,410,965 shares which have been reserved for exercise of TFD-W2), according to the Board of Directors' Meeting No. 18/2014, held on 16 October 2014 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 Meeting of Shareholders No.3/2014 shall be held on 12 November 2014 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 30 October 2014 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 31 October 2014.

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 Meeting of Shareholders No. 3/2014 on the decrease and increase of registered capital and other related matter.

- 4.2 The Company shall register the decrease and increase of registered capital and the change of paid-up capital with Ministry of Commerce and shall amend the clauses that related to the decrease and increase of capital in the Memorandum of Association.
- 4.3 The Company shall submit the application to the Office of the Securities and Exchange Commission for the offering of the newly ordinary shares to the general public, after obtaining approval from the Extraordinary General Meeting of Shareholders.
- 4.4 The Company shall submit the application form to the Stock Exchange of Thailand for approval of new ordinary shares that be allotted to Private Placement, Public Offering and ordinary shares from exercising of TFD-W3 including TFD-W3 that be allotted to Existing Shareholder to list and trade in the Stock Exchange of Thailand.

5. Objectives of the capital increase and capital utilizing plans

- 5.1 To use as a working capital of the Company and/or for the expansion of the business of the Company and/or the Company's debt repayment.
- 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-W3.
- 5.4 To reserve for the ratio adjustment of TFD-W2.

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

- 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 the offering of new ordinary shares to Private Placement and Public Offering including from exercising TFD-W3.

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

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

- **Reason, necessity and benefit of the Company to offer new ordinary shares to Private Placement**

The Company has necessity to raise funds for the expansion business and for working capital. The Company deems to raise funds from the offering of new ordinary shares to Private Placement, including this offering method will take short time and certainly predictable amount of received money. It is faster and more certain than the offering of new ordinary shares to general investors (Public Offering) and existing shareholders (Right Offering).

Therefore, this offering of new ordinary shares will be allotted to several investors, also there is no investor to hold shares of the company as a result, be forced to make a Tender Offer to purchase all existing shares of the Company. Furthermore the Company does not enter into contracts and / or agreements with any investors before will propose this agenda for approval of the Shareholders' Meeting.

- **Criteria for selection of investors for share allotment to Private Placement**

The Company will consider new investors from potential investment capital, including experience in the business, which enhance the business of the company.

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 new ordinary shares and related matters.	16 October 2014
Date to determine the shareholders' right to attend the Extraordinary General Meeting of Shareholders No.3/2014 (Record Date)	30 October 2014
Date of closing of share register book to collect a list of shareholders to attend the Extraordinary General Meeting of Shareholders No.3/2014 under Section 225 of the Securities and Exchange Act B.E. 2535	31 October 2014
Extraordinary General Meeting of Shareholders No. 3/2014	12 November 2014
Registration of the resolution of capital reduction, capital increase and related matters at Department of Business Development, Ministry of Commerce	Within 14 days after the Extraordinary General Meeting of Shareholders date approves the capital increase

The subscription and payment period for the purchase of the new ordinary shares (Private Placement)	To be determined after obtained the approval of the Extraordinary General Meeting of Shareholders
The subscription and payment period for the purchase of the new ordinary shares (Public Offering)	
Date to determine the shareholders' right to obtain TFD-W3 (Record Date)	
Date of closing of share register book to collect a list of shareholders to obtain TFD-W3 under Section 225 of the Securities and Exchange Act B.E. 2535	

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

Signature..... 

(Mrs.Siriporn Pinprayong)
Company Secretary