



บริษัท ไทยพัฒนาโรงงานอุตสาหกรรม จำกัด (มหาชน)
THAI FACTORY DEVELOPMENT PUBLIC COMPANY LIMITED

(Translation)

Ref. AIT/16 - 510

July 21, 2016

Subject : Submission of documents relating to the allotment of warrants to purchase common stock.

To : All Warrant Holders

Attachment : 1. Terms and Conditions governing the Rights and Obligations of the Issuer and the Holders of Warrants to Purchase Ordinary Shares of TFD-W4

The Extraordinary Shareholders' Meeting No. 1/2016 of Thai Factory Development Public Company Limited (the "Company"), held on June 27, 2016, passed a resolution to approve the issuance and offering of the 4th series of warrants ("TFD-W4") in an amount not exceeding 427,833,801 units to existing shareholders in proportion of shareholdings (Right Offering), the gathering of the shareholders' name in accordance by closing the share registration book on 7 July 2016.

The company has submitted the documents on the allocation of TFD-W4 below to give you all the details. And conditions of TFD-W4.

(1) Terms and Conditions governing the Rights and Obligations of the Issuer and the Holders of Warrants to Purchase Ordinary Shares of TFD-W4

If you have any questions or require any further information. Please contact the Company's Investor Relations Department Tel 66-2-6764031-6, 66-2-6763836-9 (Ext. 433,448).

Yours sincerely,

(Mr. Gumpol Tiyyarat)
Managing Director



“Translation”

THAI FACTORY DEVELOPMENT PUBLIC COMPANY LIMITED

**The Offering of Warrants to Purchase Ordinary Shares of
Thai Factory Development Public Company Limited No. 4
 (“Warrant No. 4 or TFD-W4”)**

**An amount of not exceeding of 427,833,801 units
Term of Warrant not exceeding 2 years (1 year 11 months 4 days)
1 warrant entitled to purchase 1 ordinary share**

Allotted to the existing shareholders of the Company whose names appear on the date of fixing the names of shareholders who are entitled to receive the allocation and offer of the Warrants (Record Date) on 6 July 2016 and for compiling the names of shareholders under Section 225 of the Securities and Exchange Act B.E. 2535 by the method of closing the Share Register Book on 7 July 2016.

Terms and Conditions governing the Rights and Obligations of the Issuer and the Holders of Warrants to Purchase Ordinary Shares of Thai Factory Development Public Company Limited No. 4 (TFD-W4)



Terms and Conditions governing the Rights and Obligations of the Issuer and the Holders of Warrants to Purchase Ordinary Shares of Thai Factory Development Public Company Limited No. 4 (TFD-W4)

Warrants to purchase ordinary shares of Thai Factory Development Public Company Limited No. 4 were issued by Thai Factory Development Public Company Limited, pursuant to the resolutions of the Extraordinary General Meeting of Shareholders No. 1/2016 held on 27 June 2016.

The Warrant Holders are entitled to the rights as stated in the Terms and Conditions governing the Rights and Obligations of the Issuer and the Holders of Warrants Rights and Duties of the Issuer of Warrants and the Warrant Holders (“Terms”) and the Issuer of Warrants and the Warrant Holders shall be obligated according to the Terms as described herein. It shall be deemed that the Warrant Holders fully acknowledge and understand all the terms and conditions set forth. The Issuer shall arrange to have a copy of the Terms kept at its head office so that the Warrant Holders can review it during the Issuer's business hours. The Warrant Holders can also find the Terms on the website of the Stock Exchange of Thailand (www.set.or.th).

Definition

Terms	means	The Terms and Conditions governing the Rights and Obligations of the Issuer and the Holders of Warrants to Purchase Ordinary Shares of Thai Factory Development Public Company Limited No. 4 (TFD-W4)
The Company or the Issuer of Warrants	means	Thai Factory Development Public Company Limited
Warrants or TFD-W4	means	Name specified and transferable warrants to purchase ordinary shares of Thai Factory Development Public Company Limited No. 4 allocated to existing shareholders of the Company
Certificate Receipts	means	Certificate Receipts issued by Thailand Securities Depository Company Limited representing the warrants to purchase ordinary shares of Thai Factory Development Public Company Limited.
Registrar of the Warrants	means	Thailand Securities Depository Company Limited
The Warrant Holders	means	The right holders of warrants to purchase ordinary shares of Thai Factory Development Public Company Limited,



		including the right holders of certificate receipts to purchase ordinary shares of Thai Factory Development Public Company Limited
Business Day	means	Regular business day of Thai Commercial Banks, which excludes Saturday and Sunday and any other holiday announced by Bank of Thailand.
Notification No. Tor. Chor. 34/2551	means	Notification of Capital Market Supervisory Board Tor. Chor. 34/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Share Warrants and Newly Issued Underlying Shares.
SEC	means	The Securities Exchange Commissions of Thailand
SET	means	The Stock Exchange of Thailand
TSD	means	Thailand Securities Depository Company Limited
Issue Date	means	26 July 2016
Exercise Date	means	The date that the Warrant Holders can exercise his/her right to purchase the Company's ordinary shares as specified in 1.2.1
First Exercise Date	means	30 September 2016
Last Exercise Date and The Maturity Date	means	29 June 2018
Notification Period for the Exercise of Warrants	means	The period that the Warrant Holders, who wish to exercise his/her rights to purchase ordinary shares of the Company shall notify such intention is during 9:00 a.m. to 4:00 p.m. of business days within 5 days prior to each Exercise Date. In case of the last Exercise Date, the Warrant Holders shall notify such intention within 15 days prior to the last Exercise Date as specified in 1.2.3
Warrant Register Book	means	Register Book or registration data recording details of the Warrant and the Warrant Holders pursuant to Securities and Exchange Act, relevant Notifications of the Securities and Exchange Commission and/or relevant Notifications of the Office of the Securities and Exchange Commission, and relevant Notifications of the Capital Market Supervisory Board

1. Features of the Warrants

1.1 Details of the Warrants



Type	: Warrant to purchase ordinary shares of Thai Factory Development Public Company Limited No. 4 (“TFD-W4”)
Category	: Name specified and transferable
Term	: Not exceeding 2 years (1 year 11 months 4 days) from the issue date of the Warrants which is on 26 July 2016
Quantity	: Not exceeding 427,833,801 units
Total number of shares reserved for rights exercise	: Not exceeding 427,833,801 shares (the par value of Baht 1.00 per share), equivalent to 33.33% of total current paid-up capital, which is equal 1,283,501,405 shares.
Offering Method	: The Warrants shall be allocated to the existing shareholders of the Company whose names appear on the date of fixing the names of shareholders who are entitled to receive the allocation and offer of the Warrants (Record Date) on 6 July 2016 and for compiling the names of shareholders under Section 225 of the Securities and Exchange Act B.E. 2535 by the method of closing the Share Register Book on 7 July 2016, at the ratio of 3 ordinary shares per 1 unit of Warrant. (in case the fraction of share will be discarded).
Offering Price	: Baht 0.00 per unit
Exercise Ratio	: 1 warrant is entitled with a right to purchase 1 ordinary share. (subject to change in accordance with the subsequent adjustment)
Exercise Price	: Baht 3.50 per share (subject to change in accordance with the subsequent adjustment)
Exercise Period	: On the last business day of March, June, September and December of each year until the Warrants expire. The last Exercise Date will be at the Maturity Date of the Warrants.
Notification Period for the Exercise of Warrants	: The period that the Warrant Holders, who wish to exercise his/her rights to purchase ordinary shares of the Company shall notify such intention is during 9:00 a.m. to 4:00 p.m. of business days within 5 days prior to each Exercise Date. In case of the last Exercise Date, the Warrant Holders shall notify such intention within 15 days prior to the last Exercise Date.
Secondary Market for Warrants	: The Company shall list the Warrants on the SET.
Secondary Market for Ordinary shares from Exercising Warrants	: The Company shall list the shares the Warrant Holders exercise their rights to purchase on the SET.
Other conditions	: 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-W4, and shall also be empowered to take any actions necessary as appropriate regarding the issuance and offering of TFD-W4 and listing TFD-W4 on the SET as well as to proceed for necessary approval from relevant authorities.

1.2 The Exercise Procedures of the Warrants

1.2.1 Exercise Date

The Warrant Holders shall be entitled to exercise their rights to purchase the Company's ordinary shares on every last business day of March, June, September, and December of each year through out the term of the Warrants. Provided that the First Exercise Date shall be on 30 September 2016 and the Last Exercise Date of the Warrants shall be on 29 June 2018. In case the Exercise Date is on the Company's holiday, the Exercise Date shall be rescheduled to the last Business Day preceding the Exercise Date in each time. This is no Call Exercise before the Maturity Date.

1.2.2 Exercise Right

The Warrant Holders can exercise his/her rights either in full or only in part to purchase the Company's ordinary shares.

1.2.3 Notification Period for the Exercise of Warrants

The Warrant Holders who wish to exercise his /her rights to purchase the Company's ordinary shares shall notify such intention mentioned in clause 1.3 during 9.00 a.m. to 4.00 p.m. of any business day (hereinafter referred to as "The Notification Period") within 5 business days prior to each Exercise Date. In case of the last Exercise Date, the Warrant Holders shall notify such intention within 15 days prior to the last Exercise Date.

The Company shall not close the Register Book to suspend the transfer of the Warrants except for the following cases;

- 1) In case of the last Exercise Date, the Company shall close the Register Book to suspend the transfer of the Warrants for 21 days prior to the last Exercise Date. The SET will post the SP sign (suspended) on the Warrants for 3 business days prior to the closing date of the Register Book (In the



event that the closing date of the register book falls on the holiday of the Company, it will be postponed to the preceding business day) until the last Exercise Date.

- 2) In case of the Warrant Holders Meeting, the Company shall close the Warrant Register Book for no longer than 14 days (and including the day of the Warrant Holders Meeting) to collect the names of the Warrant Holders with the rights to attend and vote in the meeting.

Information related to the Warrants such as Notification Period, Exercise Date, Exercise Ratio, Exercise Price and place to exercise will be announced through the SET's electronic system (SETSMART / SET Portal) within 7 days prior to the first date of the Notification Period. For the last Exercise Date, aside from the announcement through the SET's electronic system (SETSMART / SET Portal), the Company will also send information by registered mail within 7 days after Register Book closed.

1.2.4 Registrar of the Warrants

Thailand Securities Depository Company Limited
1st floor, The Stock Exchange of Thailand Building Tower B
93 Ratchadaphisek Road, Dindaeng, Bangkok 10400
Tel: 0 2009-9999
Fax: 0 2009-9991
Website: <http://www.set.or.th/tsd>

The registrar is responsible for closing the Warrant Register Book, which contains first and last name, nationality, addresses of the Warrant Holders and other information determined by the registrar. In case any inconsistency of information exists, the Company shall regard the information on the Warrant Register Book as accurate. Therefore, the Warrant Holders are obligated to notify any change or mistake of their information in the Warrant Register Book to the registrar directly. The Company reserves the right to change the registrar of the warrants. The Company shall notify the new registrar to the Warrant Holders through the SET's electronic system (SETSMART / SET Portal) and shall notify SEC within 15 days. Including the Company shall deliver such change to the Warrant Holders by registered mail.

1.3 **Exercise Procedures and Contact Place to Exercise**

Contact for exercising the warrants:
Finance & Accounting Department
Thai Factory Development Public Company Limited
18 Soi Sathorn 11 Yaek 9, TFD Building,
Yannawa, Sathorn Bangkok 10120
Tel. 02-676-4031-6 Fax. 02-676-4038-9

In the event that the Company has changed contact place for warrants exercising, the Company shall notify the new contact to the Warrant Holders through the SET's electronic system (SETSMART / SET Portal).

The Warrant Holders can obtain the Notification of Intention to Exercise at the contact place and/or every securities company or download it from the Company's website www.tfd-factory.com during the Notification Period.

- a) In case of the Warrants are being in scripless system, the Warrant Holders, who wish to exercise his/her rights, shall notify his/her intention and complete the Application Forms to withdraw the Warrants or to issue the Certificate Receipts as the SET defined by submitting to his/her securities company. Then, the securities company will notify TSD to withdraw the Warrants or issue the Certificate Receipts to be used as the evidences for exercise the rights.
- b) The Warrant Holders, who wishes to exercise his/her rights to purchase the Company's ordinary shares, shall comply with the conditions governing the Notification of Intention to Exercise by completely fill and sign in the Notification of Intention to Exercise, then submit such the Warrants or the Certificate Receipts together with the Notification of Intention to Exercise and make fully payments of the exercise amount along with the stamps duty, regulations or laws such applicable on the rights to purchase ordinary shares (if any).

The documents, that the Warrant Holders need to submit at the Company, are as follows:

1. The Notification of Intention to Exercise which has been accurately and completely filled in with signature of the Warrant Holder. If the Warrant Holder is a juristic person which shall be signed by the authorized person with company seal (if any);
2. The Warrants or Certificate Receipts as the SET defined that specify the Warrant Holder has rights to purchase the Company's ordinary shares in accordance with equal or greater than the amount specified in the Notification of Intention to Exercise; and
3. Payment with the amount to exercise which specified in the Notification of Intention to Exercise. The Warrant Holders, who wish to exercise his/her rights, shall make cash payment in the forms of cheques, cashier cheques, drafts, bill of exchange or payment orders from banks which can be cashed in Bangkok Metropolitan when called within 2 business days from the each Exercise Date and shall be made payable to **“TFD for Account of Share Subscription”** or in Thai “บัญชีจองซื้อหุ้นเพิ่มทุน บมจ. ไทยพัฒนาโรงงานอุตสาหกรรม” and

must provide the first and last name and phone number to contact behind the cheques, cashier cheques, drafts, bill of exchange.

The exercise of rights to purchase such shares will be deemed complete only when the Company has received the payment in full. If the Warrant Holders fail to make payment, the Company shall deem that the Warrant Holders intend to cancel his/her exercise for that exercise date. However, they shall not be deprived of the rights to exercise the next time. Nevertheless, if said cancellation happens at the maturity of the Warrants, such warrants shall be deemed expired without any exercise.

4. Supporting evidence for the exercise as follows:

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|-----------------------------|--|
| 4.1 Thai Nationality | Certified copy of his/her identification card |
| 4.2 Foreign Nationality | Certified copy of his/her passport |
| 4.3 Thai Juristic Person | Certified copy of the Company Certificate issued by the Ministry of Commerce not more than 6 months before the Exercise Date and evidences of authorized person according to clause 4.1 or 4.2 |
| 4.4 Foreign Juristic Person | Certified copy of Registration Document notarized by Notary Public not more than 6 months before the Exercise Date and evidences of authorized person according to clause 4.1 or 4.2 |

- c) The number of the Warrants to be exercised shall be only in a whole number. The Exercise Ratio is 1 Warrant : 1 ordinary share, except the adjustment as stated in clause 1.4.
- d) In cases where the Company does not obtain the Warrants evidence or payments in full as specified in the Notification of Intention to Exercise or the Company finds that the Notification of Intention to Exercise has been inaccurately filled in by the Warrant Holders, the Warrant Holders shall rectify the found errors within the Notification Period. If the Warrant Holders fail to correct the found errors within the required period, the Company shall deem that the Notification of Intention to Exercise expires without any exercise. Then, the Company shall return the previously received payment and the Warrants to the Warrant Holders with no interest reimbursement by registered mail within 14 days from the each Exercise Date.

Any failure by the Warrant Holders to make payment for such exercise of rights in full shall entitle the Company to proceed to one of the following alternatives according to the Warrant Holders specified in the Notification of Intention to Exercise :

1. Deem that this Notification of Intention to Exercise expires without any exercise; or

2. Deem that the number of shares subscribed is equal to the number of shares eligible in accordance with the actual payment the Company received given the prevailing Exercise Price; or
3. Ask the Warrant Holders to pay the remaining balance by the amount that the Warrant Holders wish to exercise within the prevailing Notification Period. If the Company does not receive payment within such period, it shall be deemed that the Notification of Intention to Exercise expires without any exercise.

In case of the Last Exercise Date, the Company shall only proceed with clause 2. above.

In cases of clause 1. and clause 3. the Company shall deliver the previously received payment and the Warrants or Certificate Receipts which the Company deem unexercised to the Warrant Holders by registered mail within 14 days from the each Exercise Date with no interest reimbursement.

In cases of clause 2. the Company shall deliver the remaining Warrants which the Company deem partially exercised to the Warrant Holders by registered mail within 30 days from the each Exercise Date. However, such Warrants are valid until the last Exercise Date.

- e) When the Warrant Holders, who wishes to exercise his/her rights to purchase ordinary shares, has fully complied with all conditions governing the Notification of Intention to Exercise i.e. the Warrant Holder has completely and accurately delivered the Warrants, the Notification of Intention to Exercise and accurate and complete payment in full, the Warrant Holders cannot cancel the exercise.
- f) In cases where the last Exercise Date already passes before the Warrant Holders completely complies with all conditions governing the exercise as stated before, the Warrants shall be deemed expire without exercise and the Warrant Holders cannot re-exercise.
- g) The number of shares, that shall be issued when there is an exercise, shall be calculated by dividing the payment, paid by the Warrant Holders as stated above, by the prevailing Exercise Price. The Company shall issue its ordinary shares in the prime amount not more than the number of the Warrants time the Exercise Ratio or the adjustment as stated in 1.4, if the fraction of share has occurred, the Company shall not take the fraction into the calculation and shall return the payment left after such exercise to the Warrant Holders within 14 days from the each Exercise Date with no interest reimbursement.
- h) The Company shall register its issued and paid-up capital change corresponding to its newly issued shares with the Ministry of Commerce within 14 days from the each Exercise Date and the Company shall record in its share Register Book the

Warrant Holders who exercises his/her rights to become its shareholders in accordance with the number of shares calculated from the exercise of the Warrants. The Company shall submit the application requesting for the ordinary shares derived from the exercise of the Warrants to be traded in the SET within 30 days from the each Exercise Date.

- i) The Company shall return the Warrants which are not exercised (if any) and cheques with the number only by the amount remaining after payment of the exercise and over payment of tax with no interest reimbursement by register mail at the address as state in the Notification of Intention to Exercise within 14 days from the each Exercise Date. The Company shall not take any responsibilities occurred in any lost or damage the Warrants and cheques in submission processes.
- j) In case there are not enough of the ordinary shares reserved for the exercise, the Company shall make compensation to the Warrant Holders who are unable to exercise their rights as stipulated in 1.8. However, the Company shall not pay such compensation to non-Thai Warrant Holders unable to exercise their rights due to the limitation specified in the Company's Articles of Association.
- k) Delivery of new ordinary shares which the Warrant Holders will be received from the exercise, the names specified on the ordinary shares issued pursuant to the exercise of the Warrant Holders shall be the same with the names specified in the Notification of Intention. The Company shall deliver the share certificates via registered mail to the address stated in the Notification of Intention within 15 business days from the each Exercise Date. The Company will not take any responsibilities occurred in any lost or damage of the share delivery in submission processes and the Company shall deliver the shares within 7 business days from the each Exercise Date in case Scripless.

1.4 Adjustment to the Exercise Price and the Exercise Ratio

1.4.1 The Company shall adjust the Exercise Price and the Exercise Ratio throughout the life of the Warrants upon an incurrence of any of the following events to ensure that the benefits of the Warrant Holders are not less than the existing status, when any of the following events occurs:

- a) The Company changes the par value of its shares as a result of the split or consolidation of its issued shares.

The Company shall adjust the Exercise Price and the Exercise Ratio as a result of the split or consolidation of its issued shares. The adjustment shall be immediately effective from the date that the change in par value takes place for the purpose that the Warrant Holders shall obtain the same

amounts of ordinary shares as the amounts calculated by the formula and of the same type as the Company's ordinary shares issued after the change.

1. The Exercise Price is adjusted in accordance with the following formula;

$$\text{Price 1} = \text{Price 0} \times \frac{[\text{Par 1}]}{[\text{Par 0}]}$$

2. The Exercise Ratio is adjusted in accordance with the following formula;

$$\text{Ratio 1} = \text{Ratio 0} \times \frac{[\text{Par 0}]}{[\text{Par 1}]}$$

Where :

- Price 1 = new Exercise Price after the change
- Price 0 = old Exercise Price before the change
- Ratio 1 = new Exercise Ratio after the change
- Ratio 0 = old Exercise Ratio before the change
- Par 1 = par value after the change
- Par 0 = par value before the change

- b) The Company pays out all or parts of its dividends with its ordinary shares to its shareholders.

The adjustment to the Exercise Price and the Exercise Ratio shall be immediately effective from the first day the shareholders are exempted from the dividends share (the first day the SET posts the XD sign).

1. The Exercise Price is adjusted in accordance with the following formula;

$$\text{Price 1} = \text{Price 0} \times \frac{[\text{A1}]}{[\text{A1} + \text{B1}]}$$

2. The Exercise Ratio is adjusted in accordance with the following formula;

$$\text{Ratio 1} = \text{Ratio 0} \times \frac{[\text{A1} + \text{B1}]}{[\text{A1}]}$$

Where :

- Price 1 = new Exercise Price after the change

- Price 0 = old Exercise Price before the change
Ratio 1 = new Exercise Ratio after the change
Ratio 0 = old Exercise Ratio before the change
A1 = the number of fully paid-up ordinary shares as at the date before the closing Register Book date.
B1 = the number of newly issued shares for dividend.

- c) The Company offers to sell its ordinary shares to the existing shareholders and/or the public and/or the private placement and the average price per share of the newly issued shares is lower than “the market price of the Company’s ordinary shares” and the difference is larger than 10%.

The adjustment in the Exercise Price and the Exercise Ratio shall be immediately effective from the first day the shareholders are exempted from the rights to subscribe new shares (the first day the SET posts the XR / XW sign) for the cases that the new shares are offered to the existing shareholders (Right Issue) and/or the first day the new shares are offered to the public and/or the private placement, as the case may.

As mentioned case, the average price per share of newly issued capital shall be compared with market price using the same value of par value.

The average price per share of the newly issued shares is calculated by dividing the net amount of money the Company shall receive from the offering of the new shares by the total number of newly issued shares.

“The market price of the Company’s shares” is “the weighted average of the Company’s share price” is derived by dividing the total trading value by the total trading volume of the Company’s shares traded on the SET during the 7 consecutive business days (SET trading day) before the day of the calculation.

In case, where “the market price of the Company’s shares” cannot be derived because there is no trading during such period, the Company shall come up with a fair price that shall be used in the calculation.

“Calculation Date” is the first day the shareholders are exempted from the rights to subscribe new shares for the cases that the new shares are offered to the existing shareholders (Rights Issue) and/or the first day the newly issued shares are offered to the public and/or the private placement offering, as the case may.

In the case that when an offering of newly issued ordinary shares at the same time offering more than one offering price, in conditions that will

need to subscribe together, compute the average price of both and total number of issued shares to be used for calculate the average price per share of newly issued ordinary shares. But if the same offer is not subject to the conditions that must be subscribed together, compute the number of shares and offering price of newly issued ordinary shares which has the market price of the Company's ordinary shares larger than 10% to calculate only.

1. The Exercise Price is adjusted in accordance with the following formula;

$$\text{Price 1} = \frac{\text{Price 0} \times [(A2 \times \text{MP}) + B2X]}{[\text{MP} (A2 + B2)]}$$

2. The Exercise Ratio is adjusted in accordance with the following formula;

$$\text{Ratio 1} = \frac{\text{Ratio 0} \times [\text{MP} (A2 + B2)]}{[(A2 \times \text{MP}) + B2X]}$$

Where :

- Price 1 = new Exercise Price after the change
- Price 0 = old Exercise Price before the change
- Ratio 1 = new Exercise Ratio after the change
- Ratio 0 = old Exercise Ratio before the change
- MP = "the market price of the Company's shares" is the total trading value divide by the total trading volume of the Company's shares traded on the SET during the 7 consecutive business days before the day of the calculation.
- A2 = the number of fully paid-up ordinary shares as at the date before the closing Register Book date and/or before the first day of the public offering and/or the private placement offering of the new shares, as the case may.
- B2 = the number of newly issued shares offered to the existing shareholders and/or the public and/or the private placement, as the case may.
- B2X = the money received from the newly issued shares minus any expenditure offered to the existing shareholders and/or the public and/or the private placement, as the case may.

- d) The Company offers to sell to the existing shareholders and/or the public and/or the private placement any new securities e.g. convertible debentures,

warrants or convertible debts which give rights to the Securities Holders to convert to or purchase ordinary shares of the Company (hereinafter referred to as “the New Securities”) and the average price per share of the newly issued ordinary shares to accommodate the exercise of rights is lower than “The market price of the Company’s ordinary shares” and the difference is larger than 10%.

The adjustment in the Exercise Price and the Exercise Ratio shall be immediately effective from the first day the shareholders are exempted from the rights to subscribe the New Securities (the first day the SET posts the XR / XW sign) for the cases that the New Securities is offered to the existing shareholders (Rights Issue) and/or the first day the New Securities are offered to the public and/or the private placement, as the case may.

The average price per share of the newly issued shares is calculated by dividing the net amount of money raised from the issuance of the New Securities plus money raised from the conversion of such securities by the total number of shares newly to be issued to accommodate the conversion. The market price of the Company’s shares and the base par value used for comparison purpose shall have the same meaning as in c).

“Calculation Date” is the first day the shareholders are exempted from the rights to subscribe the New Securities for the cases that the new securities are offered to the existing shareholders (Rights Issue) and/or the first day the New Securities are offered to the public for the case of public offering and/or the private placement offering, as the case may.

1. The Exercise Price is adjusted in accordance with the following formula;

$$\text{Price 1} = \text{Price 0} \times \frac{[(A3 \times \text{MP}) + B3X]}{[\text{MP} (A3 + B3)]}$$

2. The Exercise Ratio is adjusted in accordance with the following formula;

$$\text{Ratio 1} = \text{Ratio 0} \times \frac{[\text{MP} (A3 + B3)]}{[(A3 \times \text{MP}) + B3X]}$$

Where :

Price 1 = new Exercise Price after the change
 Price 0 = old Exercise Price before the change

- Ratio 1 = new Exercise Ratio after the change
 Ratio 0 = old Exercise Ratio before the change
 MP = “the market price of the Company’s shares” is the total trading value divide by the total trading volume of the Company’s shares traded on the SET during the 7 consecutive business days before the day of the calculation.
 A3 = the number of fully paid-up ordinary shares as at the date before the closing Register Book date and/or before the first day of the public offering and/or the private placement offering of the New Securities.
 B3 = the number of newly issued shares to accommodate the conversion of the New Securities offered to the existing shareholders and/or the public and/or the private placement, as the case may.
 B3X = the money which the Company received, net of related expenses (if any), from the issuance of the New Securities offered to the existing shareholders and/or the public and/or the private placement plus money received from the conversion.

- e) The Company pays out dividend more than 80% of its net profits after tax for each accounting period from the Warrants’ issue date until the Warrants’ expiration date.

The dividend payout ratio is calculated by dividing the actual dividends paid for each accounting period by the net profits after tax of the same accounting period. The adjustment to the Exercise Price and the Exercise Ratio shall be immediately effective from the first day the shareholders are exempted from the rights in the dividends (the first day the SET posts the XD sign).

The market price of the Company’s shares and the base par value used for comparison purpose shall have the same meanings as in c).

“Calculation Date” is the first day the shareholders are exempted from the dividends.

1. The Exercise Price is adjusted in accordance with the following formula;

$$\text{Price 1} = \text{Price 0} \times [\text{MP} - (\text{D} - \text{R})]$$

[MP]

2. The Exercise Ratio is adjusted in accordance with the following formula;

$$\text{Ratio 1} = \text{Ratio 0} \times \frac{\text{MP}}{[\text{MP} - (\text{D} - \text{R})]}$$

Where :

- Price 1 = new Exercise Price after the change
- Price 0 = old Exercise Price before the change
- Ratio 1 = new Exercise Ratio after the change
- Ratio 0 = old Exercise Ratio before the change
- MP = “the market price of the Company’s shares” is the total trading value divide by the total trading volume of the Company’s shares traded on the SET during the 7 consecutive business days before the day of the calculation.
- D = dividends per share paid to the shareholders
- R = dividends per share that will be paid at the rate of 80% if taking into the calculation the net profit after tax and the total number of shares eligible for dividends.

- f) If there are any events not mentioned in a) through e) that cause the Warrant Holders to lose his/her rights and benefits, the Company shall determine the fair Exercise Price and/or the Exercise Ratio, which shall not lessen the shareholders’ benefits by considered as a possible result and the Company shall notify to the SEC such the details of adjust the Exercise Price and Exercise Ratio within 15 days from the date of the event to make adjustment.

1.4.2 The Company shall not expand the term of warrant and adjust the Exercise Price and Exercise Ratio except adjustment as stated in 1.4.1.

1.4.3 The calculation of the adjustment to the Exercise Price and the Exercise Ratio in accordance with a) through f) are independent with each other and shall be calculated in order compared to the market price of the Company’s shares. In cases where these events simultaneously occur, the calculation shall be conducted in the ascending order from a) -> e) -> b) -> c) -> d) and f) which the decimals for the Exercise Price and the Exercise Ratio shall be maintained at 3 (three) decimals for each calculation.

- 1.4.4 The calculation of the adjustment to the Exercise Price and the Exercise Ratio in accordance with a) through f) shall not cause the increase of the Exercise Price and/or decrease of the Exercise Ratio, except in the case of the share consolidation. In cases where the number of shares corresponding to the exercise of the Warrants for each Notification of Intention to Exercise (in 3 (three) decimals for the new Exercise Ratio after adjustment) is a fraction of share, such fraction shall be deleted. If the calculated Exercise Price after adjustment (in 3 (three) decimals) when multiplied by the number of the Warrants for each Notification of Intention to Exercise is a fraction of Baht, such fraction shall be deleted.
- 1.4.5 In case of the adjustment of the Exercise Price, which will be made a new Exercise Price below par value of the ordinary shares of the Company, it shall be used as the new Exercise Price. In case that the regulation is not allowing the Company issued ordinary shares below the par value, it shall be use the par value of the Company as a new Exercise Price.
- 1.4.6 The Company might adjust the Exercise Price together with the issuance of the new warrants to compensate for the amendment of the Exercise Ratio. If the Company shall issue additional the Company's ordinary shares, the Company shall deliver the approved resolution of the Shareholder Meeting to issue additional the Company's ordinary shares which enough for adjustment to the SEC before adjustment, so that the Company will be allowed to offering reserved shares.

1.5 Adjustment of the Exercise Price, the Exercise Ratio and the Terms

The Company shall notify the adjustment of the Exercise Price and the Exercise Ratio in concordance with conditions of exercise as mentioned in Clause 1.4.1 (a) through (f) and the adjustment of the Terms according with the following processes;

- 1) The Company shall immediately notify such adjustment to the Warrant Holders of acknowledgement through the SET's electronic system (SETSMART / SET Portal) or prior the effective date of the adjustment of the Exercise Price and Exercise Ratio.
- 2) The Company shall notify the adjustment including the calculation methods and the adjustment reasons to the SEC for notification of the new Exercise Price, the new Exercise Ratio and the new Terms together with the shorten fact of cause of the right adjustment, the calculation methods and the date of such adjustment within 15 days from the date of adjustment cause of the new Exercise Price and the new Exercise Ratio or the new Terms.



1.6 Status of the Warrants during the Warrant Holders notify intention to exercise

The status of the Warrants during the date of the Warrant Holders notify his/her intention to exercise and the day before the Ministry of Commerce accepts the registration of increase in the paid-up capital due to the exercise of the Warrants shall be the same and have the same rights as the Warrants that have not been notified the intention to exercise. The status shall expire on the date the Ministry of Commerce accepts the registration of increase in the paid-up capital.

If the Exercise Price and/or the Exercise Ratio are adjusted before the Company registers registration of increase in the paid-up capital due to the exercise of the Warrants at the Ministry of Commerce, the Company shall issue additional new shares as soon as possible to the Warrant Holders who exercise their rights that time should be eligible to under the adjusted exercise price. The issuance of the additional ordinary shares shall not be later than 15 business days from the day of adjustment in case of Scrip System or later than 7 business days from the day of adjustment in case of Scripless System.

1.7 Status of the new shares derived from the exercise of the Warrants

The new shares derived from the exercise of the Warrants shall have the same rights and benefits as the existing shares when his/her name appears on the Company's Register Book and the Ministry of Commerce accepts the registration.

1.8 Compensation in cases where the Company cannot arrange to have enough shares to accommodate the exercise of the Warrants.

The Company shall compensate the Warrant Holders in accordance with the following details;

1.8.1 The Company shall compensate only to the Warrant Holders who notify his/her intention to exercise within each Notification Period and the Company cannot provide shares to accommodate the exercise of his/her warrants except as determined in clause 2.2.

1.8.2 The Company shall make such compensation mentioned in clause 1.8.1, the crossed cheque sent via registered mail within 14 business days from the each Exercise Date.

1.8.3 The calculation of the loss that the Company agrees to compensate the Warrant Holders pursuant to clause 1.8.1 shall be done according to the following formula;

$$\text{Compensation per 1 Unit of Warrants} = B \times [MP - \text{Price}]$$

Where :

- B = the number of shares which cannot be arranged and/or increased in accordance with the Exercise Ratio per 1 unit increased.
- MP = the weighted average market price per share of the Company's ordinary shares from the period of 7 consecutive business days before the each Exercise Date (the weighted average price equal to the total value of trading shares of the company divided by the total volume of trading shares of the Company).
- Price = the Exercise Price according to the Terms or the Exercise Price according to subsequent adjustment as mentioned in clause 1.4.

1.8.4 The Company shall not make any compensation to the non-Thai Warrant Holders who cannot exercise his/her rights because of the transfer limitations mentioned in clause 2.

1.9 The Secondary Market of the Warrants

The Company shall submit an application to the SET for the warrants to purchase the Company's ordinary shares for registering as securities within 45 days after the expiration date of the offering.

1.10 Shareholders' Resolution to Issue New Shares to Accommodate the Exercise of the Warrants

The Extraordinary General Meeting of Shareholders No. 1/2016 held on 27 June 2016 passed resolution to increase the registered capital of the Company from 1,283,501,405 Baht to 2,096,335,206 Baht by issuing new ordinary shares of 812,833,801 shares, at the par value of Baht 1.00 per share, and to reserve not exceeding 427,833,801 shares for the exercising of TFD-W4.

1.11 The Number of Shares Reserved for the Exercising of the Warrants

1.11.1 The number of ordinary shares issued to accommodate the exercise of the Warrants to purchase ordinary share of the Company
Not exceeding 427,833,801 shares being 100% of the total offer of TFD-W4 or being 33.33% of the total paid-up shares of the Company of 1,283,501,405 shares.

1.11.2 The number of shares allocated for other purposes
385,000,000 new ordinary shares to be offered to the existing shareholders under general mandate type.

1.12 Details of Shares Reserved for the Warrants

1.12.1 Details of Shares

Number of Shares Reserved for the Exercise of the Warrants	: 427,833,801 shares
Par Value	: Baht 1.00 per share
Exercise Price	: Baht 3.50 per share except the adjustment as stated in the adjustment conditions

1.12.2 Procedures to be taken in the Case that there are Extra Shares Left after the Exercise

If there are shares left after the exercise of the warrants, the Company shall decrease all of the remaining registered ordinary shares.

1.12.3 Transfer Limitations

The Company has no restrictions on share transfer except for the share transfer that will cause the Company's shares held by non-Thai shareholders to be greater than 38% of the Company's total issued shares as stipulated in the Company's Articles of Association.

1.13 Issuance and Delivery of New Ordinary Shares

In the exercise of warrants to purchase the Company's ordinary shares, the Warrant Holders can notify the Company to proceed according to any of the following alternatives:

- 1) In the event the Warrant Holders state their intention to deposit their ordinary shares received from the exercise of warrant in the account of securities companies of which the Warrant Holders are customers.

Registrar of the Company will proceed to deposit those shares in "Thailand Securities Depository Company Limited for Depositors" and TSD will record the deposit of those particular shares into the account of those securities companies, while the securities companies will record the newly issued shares in the Warrant Holders' account and provide the document regarding the receiving of those shares to the Warrant Holders within 7 days from the each Exercise Date. In this case, the Warrant Holders will be able to sell their ordinary shares received from the exercise of warrants after the approval of the newly issued shares to be traded on the SET.

The Warrant Holders who choose this alternative must have the account with the securities companies by the same name as specified in the Warrant Certificates, otherwise, the Company will proceed to issue Ordinary Share Certificates to the Warrant Holders according to the alternative 3) instead.

- 2) In the event the Warrant Holders state their intention to deposit their ordinary shares received from the exercise of warrant in the account no. 600 of the securities issuer.

Registrar of the Company will proceed to deposit those shares with TSD and TSD will record the deposit of those particular shares in the securities issuer account no. 600 and provide the document regarding the receiving of those shares to the Warrant Holders within 7 days from the each Exercise Date. When the holders who are allocated the shares want to sell the shares, they shall withdraw the shares from the said account no. 600 through a securities firm, whereby service fees may be incurred as required by TSD and/or securities firms. In this case, the Warrant Holders who are allocated the shares will be able to sell the allocated ordinary shares to be traded on the SET immediately after the SET approves the ordinary shares on the SET and the allocated holders have already withdrawn the shares from the account no. 600.

- 3) In the event the Warrant Holders state their intention to receive Ordinary Share Certificates in their own names.

Registrar of the Company will deliver the Ordinary Share Certificates via registered mail to the address stated in Warrant Register Book within 15 days from the each Exercise Date. In this case, the Warrant Holders who exercise their Warrants will not be able to sell their ordinary share obtained from the exercise in the SET until they receive the Ordinary Share Certificates, which they may receive later than the approval of the newly issued shares to be traded on the SET.

1.14 The Secondary Market of Ordinary Shares Derived from the Exercise of the Warrants

The Company shall submit the application requesting for the ordinary shares derived from the exercise of the Warrants to be traded in the SET within 30 days from the each Exercise Date.

1.15 Procedures to be taken in case the Company Cannot Arrange for a Secondary Market for Ordinary Shares Derived from the Exercise of the Warrants

As the ordinary shares of the Company are the listed securities in the SET, the newly issued ordinary shares derived from the exercise of the Warrants will be traded on the SET after the Company registers the aforementioned new ordinary shares to the SET and the SET approves the newly issued shares to be traded on the SET.

2. Transfer Restrictions

2.1 Warrant Transfer

The Company has no restrictions on transfer of the warrants offered to the Company's existing shareholders, except when a transfer takes place during the warrant register closing period to suspend the warrant transfer for 21 days prior to the last exercise date, or during the warrant register closing period to suspend the warrant transfer for no longer than 14 days prior (and including) to the Warrant Holders' meeting as specified in clause 1.2.3.

2.2 Warrant Transfer Restrictions for Non-Thai Entities

2.2.1 The Company shall not issue ordinary shares to the non-Thai nationality who has exercised their rights according to the Exercise Procedure to the extent that the shareholding proportion of foreign individuals exceeds 38% as prescribed in the Company's Articles of Association as specified in clause 1.12.3. In such case, the Company shall not pay any reimbursement.

2.2.2 In case the number of Warrants exercised on any exercise date by the non-Thai nationality exceeds the number of ordinary shares permitted for purchase without violating the share transfer restrictions regarding the securities holding proportion of non-Thai Warrant Holders as specified in clause 1.12.3, the Company will process the exercise of warrants or the certificates representing the warrants by the sequence of complete exercise notifications in accordance with the method specified in clause 1.3.

2.2.3 If the transfer restrictions above have caused the non-Thai Warrant Holders or who have exercised their rights according to the Exercise Procedure specified in clause 1.3 to be unable to exercise their rights up to the number as specified in the Exercise Form whether in whole or in part, the Company will permit the exercise of the Warrants by notified Warrant Holders to the extent that the share transfer restrictions are not violated. The Company shall return the unexercised Warrants and refund the remaining amount for the unexercised part of the Warrants with no interest to the notified non-Thai Warrant Holders by registered mail within 14 days from the each Exercise Date.

2.2.4 The non-Thai Warrant Holders shall not receive any reimbursements from the Company in case they cannot exercise the rights due the transfer restrictions. However, the Warrants are valid until the last Exercise Date.

3. Amendment to the Terms

3.1 Causes for Amending the Terms

The Company might proceed to amend the Terms when there are or the Company finds there may be the following causes without requiring the approval from the Warrant Holders' meeting:

- 1) The amendment of Terms to be in accordance with the laws or regulations as stipulated in law governing the Securities and Exchange or other relevant laws, regulations, articles, general orders, or Notifications of the Office of the SEC, Capital Market Supervisory Board, and/or the SET;
- 2) The amendment of the Terms with no material impacts on the rights of the Warrant Holders, such as immaterial amendment of procedures for exercising the Warrants, or matters beneficial to the Warrant Holders or not negatively affecting the benefits of shareholders; and
- 3) Adjustment according to clause 1.4

Any other amendment aside from the amendment specified in 1) 2) and 3) above must obtain an approval from the Company and a resolution from a Warrant Holders' meeting. A resolution of the Warrant Holders' meeting shall consist of votes not less than one half of the total of non-exercised units of warrants held by the Warrant Holders who attend the meeting and are entitled to vote as specified in clause 3.3.

3.2 Conditions for Amending the Terms

- 1) The Company might proceed to amend the Terms if the Company's Board of Directors is of an opinion that the Company can do so to avoid any restriction or limitation according to the stipulated conditions or regulations without negative impacts on the rights of Warrant Holders as specified in clause 3.1.
- 2) The amendment of Terms must not in any way violate the provisions under the laws governing securities and exchange, including Notification Tor. Chor. 34/2551, that are in effect at that time.
- 3) The amendment of Terms must not bring about the extension the Term of Warrants or the adjustment in the Exercise Ratio and the Exercise Price (except for the adjustment stipulated in Clause 1.4, Adjustment to the Exercise Price and the Exercise Ratio).

- 4) The Company shall notify the SEC in writing of the amendment of the Terms within 15 days from the date the amendment is made. The Company shall also inform all Warrant Holders and the SET of the said amendments through the SET's electronic system (SETSMART / SET Portal) on the day the amendment is made.

3.3 Processes or Procedures for Amending the Terms and the Meeting of the Warrant Holders

The Company will hold the Warrant Holders' Meeting to request for resolution to amend the Terms prior to processing the amendment of Terms by proceeding with the following procedures:

Call a Warrant Holders' Meeting

- 1) The Company has the right to call a Warrant Holders' Meeting at any time to amend the Terms. Alternatively, not less than 25 Warrant Holders together holding not less than 25% of total amount of outstanding warrant may get together and send a letter with clear reasons to the Company to call a Warrant Holders' Meeting. The Company will process to call for Warrant Holders' Meeting within 30 days from the date the aforementioned Warrant Holders send the written request to the Company to call a Warrant Holders' Meeting.
- 2) The Company shall close the Warrant Register Book for no longer than 14 days (and including the day of the Warrant Holders Meeting) to collect the names of the Warrant Holders with the rights to attend and vote in the meeting.
- 3) The Company shall prepare an invitation letter for the Warrant Holders' meeting, either called by the Warrant Holders or by the Company, giving details of the venue, date, time, name of the person convening the meeting and agenda for the meeting, and send it via registered mail to each of the Warrant Holders whose names and addresses are recorded on the Register Book on the closing date at least 7 days ahead of each meeting.
- 4) At a Warrant Holders' meeting, the Warrant Holders with the right to attend and vote at the meeting may assign a proxy to attend the meeting and vote on their behalf. The Warrant Holders who wish to do so must submit a proxy form to the chairman or the person assigned by the chairman before the meeting begins.

A Quorum of Warrant Holders' Meeting

- 4) A quorum of the Warrant Holders' meeting shall be constituted by the presence of the Warrant Holders and/or their proxies of not fewer than 25 persons, altogether holding not less than 25% of total units of outstanding Warrants at that time.

- 6) At any meeting, if forty-five minutes have passed beyond the scheduled meeting time and there are inadequate Warrant Holders present to constitute a quorum, then the meeting shall be canceled. If the said meeting is summoned by the resolution of the Company's Board of Directors, the meeting shall be called again within 30 days of the date set for the canceled meeting. The Company shall send an invitation letter to the Warrant Holders at least 7 days prior to the newly set-up meeting date. In the latter meeting, the quorum is not compulsory. In case of a Warrant Holders' meeting called by the Warrant Holders, the meeting will not be re-summoned.

Chairman of the Meeting

- 7) For the Warrant Holders' meeting arranged by the Company, the Chairman or the person assigned by the Chairman will be the chairman of the Warrant Holders' meeting. For the Warrant Holders' meeting arranged by the Warrant Holders, the chairman of the Warrant Holders' meeting may be the person selected by the Warrant Holders other than the Chairman of the Company's Board of Directors or the person designated by the Chairman. In both cases, the Chairman of the meeting shall have a casting vote.

Votes

- 8) For the votes, the Warrant Holders have equal votes to the units of warrants they hold. One unit of warrant has one vote.
- 9) The Warrant Holders who have a vested interest in the matters to be considered and voted at the meeting cannot vote on such matters.

Resolutions of the Meeting

- 10) The resolution of Warrant Holders' Meeting shall consist of votes of not less than 50% of total units of outstanding Warrants held by the Warrant Holders who attend the meeting and are entitled to vote.
- 11) Any resolutions already passed by the Warrant Holders' meeting shall be deemed to be binding upon all Warrant Holders no matter they attend the meeting or not.

Others

- 12) The Company shall record and prepare the minutes of the meeting, called by the Company or by the Warrant Holders, and keep them at its head office. The meeting minutes duly signed by the chairman shall be deemed as valid evidence of all activities discussed at the meeting. The meeting and resolutions shall be deemed properly conducted.
- 13) In the Warrant Holders' meeting, the Company or the person designated by the Company and its legal counsel have the right to attend the meeting to provide comments or explanation to the meeting.



- 14) The Company shall make amendment to the Terms according to the resolution passed by the Warrant Holders' meeting within 3 business days after the meeting date on which the resolution is passed. The Company shall notify the said amendment to the Terms to the SEC in writing within 15 days from the meeting date. The Company shall also inform all Warrant Holders and the SET through the SET's electronic system (SETSMART / SET Portal) on the Warrant Holders' Meeting date.
- 15) The Company will be responsible for all expenses related to the Warrant Holders' meeting.
- 16) For any resolution relating to the Warrant Holders' Meeting, the Warrant Holders may make an agreement in writing instead of having a meeting, provided that the Warrant Holders holding the Warrants in aggregate of not less than 50% of the total units of outstanding Warrants approve and sign their names as evidence. The approval can be signed in either one or multiple letters and has to be submitted to the Company.

Hence, the resolutions passed shall be deemed to be binding upon the Company and all of the Warrant Holders from the day the Company receives the written resolution.

4. Terms Enforcement and the Governing Laws

The Terms shall be enforceable from the warrant issuance date until the last Exercise Date. The Terms shall be subject to the execution and interpretation by the laws of Thailand. Should any clauses in these Terms contradict the applicable laws or notifications, then, the clauses in the said laws or notifications shall apply and shall replace the particular contradictory clauses in the Terms. The Company certifies that it will strictly comply with the Terms and signed the Terms as evidence.



Warrant Issuer

Thai Factory Development Public Company Limited

(Mr. Gumpol Tiyarat)
Authorized Director

(Mr. Anukul Ubonnuch)
Authorized Director