

(F53-4)

Capital increase report form
Thaifoods Group Public Company Limited
February 24, 2021

Thaifoods Group Public Company Limited (the “**Company**”) would like to report the Board of Directors Meeting No.1/2020 held on February 24, 2021 regarding capital increase and the allocation of shares:

1. Capital Decrease and Increase

1.1 Capital Decrease

With regard to the intention to increase the registered capital of the Company, and in accordance with Section 136 of the Public Limited Companies Act B.E. 2535 (1992) which provides that, the company may increase the amount of its registered capital by issuing new shares which may be done after all the shares have been completely sold and paid-up in full. At present, amongst the registered capital of the Company, there are 530,587,644 unsubscribed ordinary shares at the par value of Baht 1. Consequently, the Board of Directors’ Meeting resolved to approve the capital decrease from the existing registered capital of Baht 6,138,160,412 to Baht 5,607,572,768 by cancelling 530,587,644 unsubscribed shares of the Company at the par value of Baht 1 per share.

1.2 Capital Increase

The Board of Directors’ Meeting passed a resolution approving the increase of the Company’s registered capital from Baht 5,607,572,768 to Baht 6,168,330,045 by means of the issuance of not exceeding 560,757,277 new ordinary shares at the par value of Baht 1 per share, details as follows:

Type of Capital	Type of Capital	Type of Capital	Type of Capital	Type of Capital
<input checked="" type="checkbox"/> Specifying the purpose of proceeds utilization	Ordinary	Not exceeding 560,757,277	1.00	Not exceeding 560,757,277
<input type="checkbox"/> General Mandate	-	-	-	-

2. Allocation of Newly Issued Shares

2.1 Details of Allocation

Allocated to	Number of shares	Ratio (Existing : New)	Sales Price (Baht per unit)	Remarks
To allocate for the exercise of the Company’s warrants to purchase ordinary shares No. 3 (TFG-W3), which will be issued to existing shareholders of the Company in proportion to their respective shareholdings	Not exceeding 560,757,277	Allocation Ratio: 10 ordinary shares to 1 unit of warrant (any fractions resulting from the calculation based on the allocation ratio such fraction of shares shall be rounded down)	The TFG-W3 Warrants will be issued at no offering price, (zero Baht) at an Exercise Price THB 5.50	Please see Notes below

Note :

- 1) The Board of Directors Meeting No. 1/2021 of the Company on February 24, 2021 resolved to propose that the AGM2021 consider and approve the issuance of the Company's warrants to purchase ordinary shares No.3 (TFG-W3) in the amount of not more than 560,757,277 units for allocation to existing shareholders of the Company in proportion to their respective shareholdings at no offering price, (zero Baht) at the ratio of 10 ordinary shares to 1 unit of warrant (any fractions resulting from the calculation based on the allocation ratio set forth shall be rounded down), with a term of not more than 3 years from the issuance date, having an exercise ratio of 1 unit of warrant per 10 ordinary shares at an exercise price THB 5.50 (the "Exercise Price"), (the "TFG-W3 Warrants") and details with regards to the issuance of the TFG-W3 Warrants are determined. Please refer to the preliminary details of the TFG-W3 Warrants in Enclosure 5.

In this regard, the Company has set the date for determining the names of the shareholders who shall be entitled to receive the TFG-W3 Warrants on April 30, 2021 (Record Date). However, the determination of such right remains uncertain and subject to an approval of the AGM2021

2.2 Action to be taken by the Company when there are fractions of shares

Any fractions of ordinary shares issued from the exercise of the TFG-W3 Warrants of each shareholder should be rounded down.

3. Schedule of the Shareholders' meeting to approve the capital increase and the allocation of the newly issued shares

The 2021 Annual General Meeting of Shareholders set the date on April 22, 2021 at 10.00 a.m. through electronic media pursuant to emergency decree on electronic meetings B.E. 2020. The determine the list of shareholders entitled to attend the 2021 Annual General Meeting of Shareholders (Record Date) on March 11, 2021

4. Approval of the capital increase/share allotment by relevant governmental agency and conditions thereto

4.1 The Company is required to register the decrease and increase of registered and paid-up capital and the amendment of its Memorandum of Association with the Department of Business Development, Ministry of Commerce.

4.2 The Company is required to obtain an approval from the Stock Exchange of Thailand for accepting TFG-W3 Warrants to be securities listed in the Stock Exchange Thailand.

5. Objectives of the capital increase and plans for utilizing proceeds received from the capital increase

To prepare for the business expansion in the area of chicken and swine farming, feeds production, international new investments and use as the company's working capital.

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

The Company will utilize the proceeded fund from the warrant conversion into the business expansion and use as the company's working capital. The result of the transaction will help the company to achieving the operational targets.

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

7.1 Dividend policy

Dividend policy is to pay a total dividend of not less than 50% of net profits after deductions for tax and the legal reserve fund as required by applicable law and our Articles of Association and setting aside amounts required for working capital, capital expenditure and business expansion requirements.

7.2 Shareholder's rights

The shareholders of the Company who receive the newly issued shares from the exercise of their TFG-W3 Warrants will be entitled to a dividend payment from the Company's performance upon the Company's declaration of dividend payment as the existing shareholders of the Company in accordance with the abovementioned dividend policy as well as other rights of the shareholders such as right to participate in the shareholders' meeting and right to vote in the shareholders' meeting.

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

The effects on the shareholders to be considered in two cases as follows:

Case 1 The existing shareholders exercise the rights to purchase all ordinary shares.

Case 2 Other persons not being shareholders exercise the rights to purchase all ordinary shares (the existing shareholders sell all of their warrants on the Stock Exchange of Thailand).

8.1 Control Dilution

Case 1 Control Dilution is equivalent to zero

Case 2 The effects of Control Dilution on the shareholders are as follows:

$$\text{Control Dilution} = Q_w / (Q_o + Q_w)$$

Q_o = Number of the existing ordinary shares which is equivalent to 5,607,572,768 shares as at 24 February 2021, which is the date on which the Board of Directors' Meeting resolved to approve the issuance and offering for sale of the TFG-W3 Warrants.

Q_w = Number of new ordinary shares increased after the exercise of all TFG-W3 Warrants, equivalent to 560,757,277 shares.

$$\begin{aligned} \text{Control Dilution} &= 560,757,277 / (5,607,572,768 + 560,757,277) \\ &= \text{Not exceeding 9.09 percent} \end{aligned}$$

8.2 Price Dilution

Price Dilution = (market price before offering for sale – market price after offering for sale) / market price before offering for sale

$$\text{Price Dilution} = (P_o - P_n) / P_o$$

P_o = Baht 5.45 per share, which is the weighted average price of the Company's ordinary shares traded during the period of 15 consecutive business days (from 2 February 2021 - 23 February 2021).

$$\begin{aligned}
 P_n &= (P_o \times Q_o) + (\text{Exercise price of TFG-W3} \times Q_w) / (Q_o + Q_w) \\
 &= (5.45 \times 5,607,572,768) + (5.50 \times 560,757,277) / (5,607,572,768 + 560,757,277) \\
 &= \text{Baht 5.45 per share}
 \end{aligned}$$

Since $P_o = P_n$, the issuance and offering for sale of the TFG-W3 Warrants does not, therefore, cause any price dilution.

8.3 Earnings per Share Dilution (EPS Dilution)

$$\text{EPS Dilution} = (\text{EPS}_o - \text{EPS}_n) / \text{EPS}_o$$

$$\text{EPS}_o = \text{Net profit 2020} / Q_o = 2,551,328,000 / 5,607,572,768 = 0.45$$

$$\begin{aligned}
 \text{EPS}_n &= \text{Net profit 2020} / (Q_o + Q_w) \\
 &= 2,551,328,000 / (5,607,572,768 + 560,757,277) = 0.41
 \end{aligned}$$

$$\text{EPS Dilution} = 0.45 - 0.41 / 0.45 = 9.09\%$$

Schedule of actions upon the Board of Directors passing the resolution of the capital increase/share allotment

Procedure	Date/Month/Year
• Board of Directors' Meeting No. 1/2021	24 February 2021
• The date for determining the names of the shareholders entitled to attend the 2021 Annual General Meeting of Shareholders (Record Date)	11 March 2021
• The 2021 Annual General Meeting of Shareholders	22 April 2021
• Registration of the resolution of capital increase and amendment of the Company's Memorandum of Association with the Ministry of Commerce	Within 14 days from the date of the resolution of the shareholders' meeting
• The date for determining the shareholders entitled to be allocated the TFG-W3 Warrants (Record Date)	30 April 2021
• Issuance date of the TFG-W3	14 May 2021 and/or other date that shall be determined by the Executive Committee and/or a person delegated by the Executive Committee to determine the issuance date

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

-Mr. Winai Teawsomboonkij-
(Mr. Winai Teawsomboonkij)
Authorized Director

(Signatures
of Authorized Director(s)
and Applicable Seal)

-Mr. Phet Nantavisai-
(Mr. Phet Nantavisai)
Authorized Director