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**CAPITAL INCREASE REPORT FORM
CHAYO GROUP PUBLIC COMPANY LIMITED**

April 5, 2021

According to (1) the resolution of the Board of Directors' meeting No. 1/2021 of Chayo Group Public Company Limited (the "**Company**") held on February 25, 2021 relating to the capital increase and allocation of the newly issued shares as detailed in the disclosure of Board of Directors' meeting resolution No. CGC 096/2021, which has been disclosed through the Stock Exchange of Thailand (the "**SET**")'s channel on February 25, 2021, and its amendments and (2) the disclosure informing the final allocation ratio of warrants to purchase the newly issued ordinary shares of the Company No. 2 (CHAYO-W2) (the "**CHAYO-W2 Warrants**" or "**Warrants**") No. 104/2021, which has been disclosed to the investors through the SET's channel on April 1, 2021, the Company hereby report the information in relation to the increase of the registered capital and the allocation of the newly issued ordinary shares as follows:

1. Capital Increase

The Board of Directors' Meeting No. 1/2021 resolved to approve the increase of the Company's registered capital by THB 136,939,305.50 from the existing registered capital of THB 463,048,416.00 to THB 599,987,721.50 by issuing 273,878,611 newly issued ordinary shares with a par value of THB 0.50 per share. Details of the capital increase are as follows:

Type of Capital Increase	Type of Shares	Number of Shares (Shares)	Par Value (THB per Share)	Total (THB)
<input checked="" type="checkbox"/> Specific purpose of utilizing the proceeds	Ordinary shares	273,878,611	0.50	136,939,305.50
<input type="checkbox"/> General mandate	Ordinary shares	-	-	-

2. Allocation of the newly issued shares (Specific purpose of utilizing the proceeds)

2.1 Details of the allocation

Allocated to	Number of Shares (Not exceeding)	Ratio (Existing: New)	Sale Price (THB per Share)	Date and Time of Subscription and Share Payment	Remark
(1) The Company's Existing Shareholders to accommodate the common stock dividend payment	53,034,707 shares	<u>Allocation Ratio:</u> 15 existing ordinary shares to 1 newly issued ordinary share	-	-	Please see Remark No. 1.1

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Allocated to	Number of Shares (Not exceeding)	Ratio (Existing: New)	Sale Price (THB per Share)	Date and Time of Subscription and Share Payment	Remark
(2) To accommodate the adjustment of rights under warrants to purchase the newly issued ordinary shares of Chayo Group Public Company Limited No. 1 (the “CHAYO-W1 Warrants”)	8,705,076 shares	<u>Exercise Ratio</u> (Existing): 1 unit of the Warrants to 1.050 newly issued ordinary share. <u>Exercise Ratio</u> (New): 1 unit of the Warrants to 1.120 newly issued ordinary share. Please see Remark No. 1.3	<u>Exercise Price</u> (Existing): THB 6.190 per share <u>Exercise Price</u> (New): THB 5.803 per share. Please see Remark No. 1.3	The exercise of the rights to purchase the newly issued ordinary shares of the Company under the CHAYO-W1 Warrants shall be in accordance with the conditions on the exercise of the Warrants as stipulated in the Terms and Conditions Governing the Rights and Obligations of the Issuer and Holders of the Warrants to Purchase the Newly Issued Ordinary Shares of Chayo Group Public Company Limited No. 1 (CHAYO-W1) (the “ Terms and Conditions of CHAYO-W1 ”)	Please see Remark No. 1.2

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Allocated to	Number of Shares (Not exceeding)	Ratio (Existing: New)	Sale Price (THB per Share)	Date and Time of Subscription and Share Payment	Remark
(3) To accommodate the exercise of right under warrants to purchase the newly issued ordinary shares of Chayo Group Public Company Limited No. 2 issued to existing shareholders on a pro rata basis to their respective shareholdings (Rights Offering)	212,138,828 shares	<u>Allocation Ratio:</u> 4 existing shares to 1 unit of the Warrants <u>Exercise Ratio:</u> 1 unit of the Warrants to 1 newly issued ordinary share	<u>Exercise Price:</u> THB 10.25 per share	The exercise of the rights to purchase the newly issued ordinary shares of the Company under the CHAYO-W2 Warrants shall be in accordance with the conditions on the exercise of the Warrants as stipulated in the Terms and Conditions Governing the Rights and Obligations of the Issuer and Holders of the Warrants to Purchase the Newly Issued Ordinary Shares of Chayo Group Public Company Limited No. 2 (CHAYO-W2) (the “ Terms and Conditions of CHAYO-W2 ”)	Please see Remark No. 1.3

Remark:

1. The Board of Directors’ Meeting No. 1/2021 held on February 25, 2021 approved to propose to the 2021 Annual General Meeting of Shareholders to consider and approve the increase of the Company’s registered capital by not exceeding THB 161,699,429.50 from the existing registered capital of THB 463,048,416.00 to not exceeding THB 624,747,845.50 by issuing not exceeding 323,398,859 newly issued ordinary shares with a par value of THB 0.50 per share and the allocation of such newly issued ordinary shares and approved to empower Mr. Suksan Yasasin, Chief Executive Officer, and/or the Company’s Executive Committee informing the final allocation ratio to the investors by April 7, 2021 through the invitation to the 2021 Annual General Meeting of Shareholders and the SET’s channel (after the number of

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exercised CHAYO-W1 Warrants to subscribe for the newly issued ordinary shares of the Company on the fourth exercise date on March 31, 2021 has been recognized). In this regard, the Company has disclosed the final allocation ratio through the SET's channel on April 1, 2021. Therefore, the details of the allocation of the newly issued shares are as follows:

- 1.1 The allocation of not exceeding 53,034,707 newly issued ordinary shares with a par value of THB 0.50 per share to accommodate stock dividend payment at the rate of 15 existing ordinary share per 1 ordinary share. In this regard, the Company has set the date of May 10, 2021 as the date for determining the shareholders' right to receive the dividend (Record Date) and May 21, 2021 as the dividend payment date.
- 1.2 The allocation of not exceeding 8,705,076 newly issued ordinary shares with a par value of THB 0.50 per share to accommodate the adjustment of rights of the CHAYO-W1 Warrants.
- 1.3 The allocation of not exceeding 212,138,828 newly issued ordinary shares with a par value of THB 0.50 per share to accommodate the exercise of right under the CHAYO-W2 Warrants in the amount of not exceeding 212,138,828 units allocated to the existing shareholders of the Company on a pro rata basis to their respective shareholdings, at no cost, at an allocation ratio of 4 existing shares to 1 unit of the CHAYO-W2 Warrants (any fractions derived from the calculation based on the allocation ratio shall be rounded down).

The term of CHAYO-W2 Warrants shall be 2 years from the issuance date. The exercise ratio is 1 unit of the CHAYO-W2 Warrants to 1 ordinary shares at the exercise price of THB 10.25 per share. A summary of the key features of the CHAYO-W2 Warrants is as set out in the Key Features of Warrants to Purchase the Newly Issued Ordinary Shares of Chayo Group Public Company Limited No.2 (CHAYO-W2) (Enclosure 3). In this regard, the Company has set the date of June 11, 2021¹ (Record date) as the date for determining the shareholders' right to be allocated CHAYO-W1 Warrants.

However, the increase of the registered capital is subjected to the approval from the 2021 Annual General Meeting of Shareholders which will be held on April 27, 2021.

2. Actions to be taken by the Company in case of a fraction of shares

- 2.1 In the event that there is a fraction derived from the allocation of stock dividend, the Company will pay for the fraction in cash at the rate of THB 0.0333333 per share.
- 2.2 In the event that there is an adjustment to the exercise ratio upon the occurrence of event pursuant to the conditions concerning the right adjustment as stipulated in the Terms and Conditions of CHAYO-W1 or the Terms and Conditions of CHAYO-W2 resulting in a fraction of shares that will be allocated under the CHAYO-W1 Warrants or the CHAYO-W2 Warrants, such fraction of shares shall be rounded down.
- 2.3 In the event that there is a fraction of shares derived from the calculation under the CHAYO-W1 Warrants' exercise ratio, such fraction of shares shall be rounded down.

¹ The date after the exercise of rights to purchase the newly issued ordinary shares under the CHAYO-W1 Warrants and the distribution of stock dividend to the shareholders.

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

The Company determined the date of 2021 Annual General Meeting of Shareholders on April 27, 2021 at 10:00 hours at Venus meeting room, 3rd Floor, Miracle Grand Convention Hotel, 99 Kamphaeng Phet 6 Road, Talad Bangkhen, Laksi, Bangkok, 10210 and the date for determining the names of shareholders entitled to attend the 2021 Annual General Meeting of Shareholders (Record Date) on March 29, 2021.

4. Application for approval of the capital increase/allocation of newly issued shares by the relevant governmental agencies and approval conditions

- 4.1 The Company will register the increase of the registered capital and the amendment of the Memorandum of Association with the Department of Business Development, the Ministry of Commerce, within 14 days after the date on which the shareholders' meeting has approved the capital increase and the Company will register the amendment of the paid-up capital with the Department of Business Development, the Ministry of Commerce, within 14 days after the date on which the Company allocate the newly issued ordinary shares or the Company receives the entire share payment (as the case may be).
- 4.2 The Company will apply for approval from the SET for listing the newly issued ordinary shares of the Company as follows:
- 4.2.1 The newly issued ordinary shares (stock dividend) allocated to the existing shareholders of the Company (as set out in table No. 2.1 (1));
- 4.2.2 The newly issued ordinary shares of the Company from the exercise of the CHAYO-W1 Warrants which has been issued, including the additional shares to accommodate the rights adjustment of the CHAYO-W1 Warrants.
- 4.2.3 The CHAYO-W2 Warrants issued to the existing shareholders of the Company on a pro rata basis to their respective shareholdings (Rights Offering) (as set out in table No. 2.1 (3)); and
- 4.2.4 The newly issued ordinary shares of the Company from the exercise of right under the CHAYO-W2 Warrants.

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

- 5.1 The Company will issue and allocate the newly issued ordinary shares at the amount not exceeding 53,034,707 shares with a par value of THB 0.50 per share to accommodate the common stock dividend payment in return to the shareholders of the Company.
- 5.2 The Company will issue and allocate the newly issued ordinary shares at the amount not exceeding 8,705,076 shares in accommodate the rights adjustment of the CHAYO-W1 Warrants in order to preserve the interests of the warrant holders and not to be less favorable than those currently available to them.
- 5.3 The Company will issue and allocate the CHAYO-W2 Warrants at the amount of not exceeding 212,138,828 shares in order to enhance financial flexibility for future investment including an investment in purchasing and managing non-performing loan (NPL).

In this regard, the issuance of the CHAYO-W2 Warrants will cause the Company receiving fund in the amount of approximately THB 2,174.42 million, provided that every

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warrant holder of the CHAYO-W2 Warrants exercises their rights to purchase the newly issued ordinary shares of the Company.

6. Benefits which the Company will receive from the capital increase/allocation of newly issued shares

6.1 Benefits which the Company will receive from the capital increase to accommodate the common stock dividend payment

- (a) to increase liquidity of the Company's shares;
- (b) to maintain liquidity of working capital of the Company;
- (c) to reward to the shareholders of the Company.

6.2 Benefits which the Company will receive from the capital increase to accommodate the exercise of the CHAYO-W2 Warrants

When the warrants holders exercise their rights under the CHAYO-W2 Warrants, the proceeds received from such exercise will strengthen the Company's financial position, enhance financial liquidity for future investment projects, and will be reserved as the working capital of the Company which will benefit to the Company's business in the future.

7. Benefits which the shareholders will receive from the capital increase/allocation of newly issued shares

7.1 Dividend policy

The Company has the dividend payment policy at the rate of not less than 40 percent of the net profit according to the Company's separate financial statements after deduction of corporate income tax and legal reserve as required by laws. In this regard, the dividend payment rate can be adjusted depending on the Company's investment plan, conditions and obligations under loan agreement or other related agreements (if any), financial position, operating results, and other related factors in relation to the Company. The Board of Directors may review and revise the dividend policy from time to time to be in accordance with business-growth plan of the group company in the future, working capital needed and other factors as they deem appropriate. However, the dividend payment shall not exceed the retained earnings in the Company's separate financial statements and shall be complied with the related laws.

7.2 Rights to Receive Dividend

The Company's shareholders who receive the stock dividend will be entitled to receive dividends from the Company's business operation after having been recorded as shareholders of the Company and the holders of the CHAYO-W1 Warrants and/or the CHAYO-W2 Warrants will be entitled to receive dividends from the Company's business operation after having exercised their rights under the CHAYO-W1 Warrants and/or the CHAYO-W2 Warrants to subscribe for the newly issued ordinary shares of the Company and having been recorded as shareholders of the Company.

8. Other details necessary for shareholders' consideration and approval of the capital increase/allocation of newly issued shares

8.1 Control Dilution

In the event that all of the CHAYO-W2 Warrants are fully exercised but warrant holders who exercise the CHAYO-W2 Warrants are not the shareholders of the Company, the shareholding of the existing shareholders of the Company will be diluted as follows:

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Control Dilution

- = Number of shares reserved to accommodate the Warrants Issued This Time / (Number of paid-up shares + Number of stock dividend allocated this time + Number of shares reserved to accommodate the Warrants Issued This Time)
- = 212,138,828 / (795,520,605 + 53,034,707 + 212,138,828)
- = Approximately of 20 percent

Remark: In the event that all of the remaining CHAYO-W1 Warrants are fully exercised and all of such CHAYO-W2 Warrants are fully exercised but warrant holders who exercise the CHAYO-W2 Warrants are not the shareholders of the Company, the shareholding of the existing shareholders of the Company will be diluted as follows:

Control Dilution

- = *Number of shares reserved to accommodate the Warrants Issued This Time / (Number of paid-up shares + Number of stock dividend allocated this time + Number of shares reserved to accommodate the CHAYO-W1 Warrants + Number of shares reserved to accommodate the adjustment of rights of the CHAYO-W1 Warrants + Number of shares reserved to accommodate the Warrants Issued This Time)*
- = 212,138,828 / (795,520,605 + 53,034,707 + 130,576,227 + 8,705,076 + 212,138,828)
- = *Approximately of 17.68 percent*

8.2 Price Dilution

After the issuance and allocation of the Warrants to the existing shareholders on a pro rata basis to their respective shareholdings (Rights Offering) and such warrant holders fully exercise their rights under the Warrants, the price per share will not be diluted since the exercise price is higher than the market price prior to the allocation.

Where the market price prior to the allocation is the volume-weighted average price of the Company's ordinary shares traded on the SET for 7 consecutive business days prior to February 25, 2021 which is the date that the Board of Directors' Meeting has been held and resolved to propose the agenda to the 2021 Annual General Meeting of Shareholders (price between February 16, 2021 and February 24, 2021, which is equivalent to THB 10.16 per share)

8.3 Earnings per Share Dilution

In the event that all of the CHAYO-W2 Warrants are fully exercised, earnings per share will be diluted by 19.99* percent, comparing to the earnings per share before the issuance and allocation of the CHAYO-W2 Warrants, calculated by the following method.

Earning Per Share Dilution

- = (Pre-allocation earnings per share* – Post-allocation earnings per share**) / Pre-allocation earnings per share
- = (0.1831 – 0.1465) / 0.1831
- = 19.99 percent

* Pre-allocation earnings per share = Net profit / (Number of paid-up shares + Number of stock dividend allocated this time) or equivalent to 155,353,886 / (795,520,605 + 53,034,707) = 0.1831

** Post-allocation earnings per = Net profit / (Number of paid-up shares + Number of stock dividend allocated this time + Number of shares reserved to accommodate the Warrants Issued This Time) or equivalent to 155,353,886 / (795,520,605 + 53,034,707 + 212,138,828) = 0.1465

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Remark: In the event that all of the remaining CHAYO-W1 Warrants are fully exercised and all of such CHAYO-W2 Warrants are fully exercised, earnings per share will be diluted by 17.67 percent, comparing to the shareholding before the issuance and allocation of the CHAYO-W2 Warrants, calculated by the following method.*

Earning Per Share Dilution

$$\begin{aligned} &= \text{(Pre-allocation earnings per share* - Post-allocation earnings per share**) /} \\ &\quad \text{Pre-allocation earnings per share} \\ &= (0.1573 - 0.1295) / 0.1573 \\ &= 17.67 \text{ percent} \end{aligned}$$

** Pre-allocation earnings per share = Net profit / (Number of paid-up shares + Number of stock dividend allocated this time + Number of shares reserved to accommodate the CHAYO-W1 Warrants + Number of shares reserved to accommodate the adjustment of rights of the CHAYO-W1 Warrants) or equivalent to 155,353,886 / (795,520,605 + 53,034,707 + 130,576,227 + 8,705,076) = 0.1573*

*** Post-allocation earnings per = Net profit / (Number of paid-up shares + Number of stock dividend allocated this time + Number of shares reserved to accommodate the CHAYO-W1 Warrants + Number of shares reserved to accommodate the adjustment of rights of the CHAYO-W1 Warrants + Number of shares reserved to accommodate the Warrants Issued This Time) or equivalent to 155,353,886 / (795,520,605 + 53,034,707 + 130,576,227 + 8,705,076 + 212,138,828) = 0.1295*

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9. Schedule of actions in case the Board of Directors passes a resolution to approve the capital increase/allocation of newly issued shares

No.	Actions	Date/Month/Year
1.	The Board of Directors' Meeting No. 1/2021	February 25, 2021
2.	The date for determining the names of shareholders entitled to attend the 2021 Annual General Meeting of Shareholders (Record Date)	March 29, 2021
3.	The 2021 Annual General Meeting of Shareholders	April 27, 2021
4.	Registration of capital increase and the amendment of the Memorandum of Association of the Company with the Department of the Business Development, the Ministry of Commerce	Within 14 days from the date of the shareholders' meeting's resolution
5.	The date for determining the names of shareholders entitled to receive cash dividend, stock dividend (Record Date)	May 10, 2021
6.	Dividend payment date (both cash and common stock dividend)	May 21, 2021
7.	Registration of paid-up capital with the Department of the Business Development, the Ministry of Commerce	Within 14 days from the date on which the stock dividend is distributed
8.	The date for determining the names of the shareholders entitled to receive the CHAYO-W2 Warrants (Record Date)	June 11, 2021
9.	Allocation of the CHAYO-W2 Warrants (Rights Offering)	June 23, 2021
10.	Listing the newly issued ordinary shares of the Company on the SET	Will be informed accordingly
11.	Listing the CHAYO-W2 Warrants on the SET	Will be informed accordingly

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

Sincerely yours,

(Mr. Kitti Tungsrivong)
Deputy Chief Executive Officer