



Enclosure No. 5

(F53-4)

**Capital Decrease and Increase Report Form
Padaeng Industry Public Company Limited
December 3, 2020**

We, Padaeng Industry Public Company Limited (The “**Company**”) hereby report the resolution of the Board of Directors Meeting No. 06-2020 held on December 3, 2020 at 2.30 pm, in respect of capital reduction, capital increase and share allotment as follow:

1. Capital Decrease and Increase

1.1 Decrease Capital

The Board Meeting passed a resolution to decrease the company’s registered capital from 3,013,333,330 Baht, as 301,333,333 shares to 3,013,265,180 Baht as 301,326,518 shares with the par value of 10.00 Baht. This is done by writing off unsold share of 6,815 shares which are stocks that are not sold under the warrant PDI-W1.

1.2 Increase Capital

The Board Meeting passed a resolution approving the increase in the company’s registered capital from 3,013,265,180 baht to 6,403,266,680 baht by issuing new shares of 301,333,466 shares, with the par value of 10.00 baht per share.

Type of Capital	Type of Shares	Number of Shares	Par value (Baht/Share)	Total (THB)
Increase				
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds	Ordinary	301,333,466	10.00	3,013,334,660
	Preferred	-	-	-

2. Allotment of New Shares

2.1 Details of allotment of new shares by specifying the purpose of utilizing proceeds and by Warrant

Allotted to	Number of Shares	Ratio (Old : New)	Sales Price (Baht/Share)	Remarks
Current Shareholders: To support the allotment of new shares to shareholders in proportion to the number of shares held by each shareholder (Right Offering)	Not more than 226,000,100	1 : 1	10.00	
Current Shareholders: To support the rights in exercising the warrant 2 (PDI-W2)	Not more than 75,333,366	Three new ordinary shares for one new warrant	Warrants have no value.	

Note: In the allotment of ordinary shares to the current shareholders at the ratio of current shareholding, the shareholder has no right to oversubscribe.

The executive committee and/or Chief Executive Officer and/or Managing Director or authorized representative of the Board of Directors and/or executive committee and/or Chief Executive Officer and/or Managing Director to be authorized person to determine the sales price and other details that is in relation with this increase in capital. These include amending, adding, changing terms and details that are related to the shares offering which includes but not limited to:

1) Allotment of shares new shares once or in series, time frame of the offer, finding investors, changing the names and number of shares has been allotted, record date, shares payment date, for the most benefit for the company, and not in conflict with the law and/or SEC regulations, Thai Stock Exchange, and/or other related organizations.

2) Negotiating, reaching an agreement, signing documents and agreement, and other authorities that is required to carry out the increase in capital

3) Sign in documents to ask for permission and evidence that is required for allotment and offering of share for increase in capital, including giving information, submitting documents and licenses, and documents requested by the SEC, Thai Stock Exchange, TSD, DBD and other relevant organizations, up until registering the increase in capital with SET.

2.3 Action to be taken by the company when there are fractions of shares

Fractions shall be rounded down.

3. Determining the Extraordinary General Meeting date to approve the increase in capital and shares allotment

The date for EGM 1/2020 is on Monday, 1 February 2021 on 2.30 pm at Four Seasons Hotel Bangkok at Chao Phraya River, 300/1 Charoen Krung Rd, Khwaeng Yan Nawa, Khet Sathon, Bangkok 10120, Thailand; by determining the name of the eligible shareholders to participate in the meeting (Record Date) December 25, 2020.

4. Permission for capital increase/ share allotment to the relevant government entity and terms for asking for permission (if any)

4.1 The company must have the approval of the shareholders to issue the new shares and offer the shares to the current shareholders with votes no less than $\frac{3}{4}$ of all the votes from eligible shareholders in the meeting

4.2 The company must register the increase in shares and registered capital with DBD.

4.3 The company shall ask for permission from SEC to consider acceptance of the new shares, to be registered in the stock exchange within the relevant regulations.

5. Objective of capital increase

The company will use the proceeds from this offering of approximately 2,260.00 million baht to support future investments with suitable returns. In addition, the company will be reserved some cash for debt repayment of a bond loan. The rest of the money will be used as working capital of the company.

6. The benefits from capital increase and share allotment

The capital increase will strengthen the company's financial statement, including an improvement on financial and debt ratio and also increasing financial institutions credibility. Moreover, the capital increase also increases liquidity of the company's shares.

7. The benefits to the shareholders from this increase in capital/ shares allotment

7.1 The number of shares increased will improve the liquidity of the company's stocks.

7.2 The right in receiving dividend, all of the subscribers will have the right to dividend, the same as the current shareholders in all aspects, counting from the date that the subscriber are registered as shareholder.



8. Other details required for shareholders to make decision to consider approval of the capital increase/ share allotment.

8.1 The board has the following resolution on the capital increase

1. Reasons and the need for capital increase

PDI needs to increase capital because the company must be ready for future projects investment. According to the company direction that usually seeks a project with an appropriate return in hotel business. In addition, a capital enlargement will improve PDI's financial statement and shares liquidity.

2. The likeliness of the plan for the use of funds obtained from the increase in capital.

The company projects to obtain the funds from the increase in capital within March, 2021.

3. The reason for the increase of capital, the planned use of funds from the capital increase, the projects to be executed, and the sufficiency of the funds from the increase in capital.

The company require to raise additional capital to support the investment in Sathorn One Luxury hotel project which is located on Sathorn Road, consisting of 209 hotel rooms with the expected total investment of 1,500.00 Million Baht and is expected to be completed in 2023 as well as others potential projects that are in line with the Company's business policy. In addition, the board of directors gave an option to issuance and offering of shares to existing shareholders in proportion (Rights Offering) is the best way to raise funds for the company. The raised funds shall be sufficient to carry out the projects.

4. The impact on the company's business, financial status, and operating results the fund rising has.

The increase in capital by selling shares by rights offering will increase the stability in the company's financial status, increase the long-term stability in income, and will improve the company's overall standing.

8.2 Price Dilution

Market price (Pre-offering) = 8.79 Baht per share

The offering price is calculated from the weighted average price of the Company's shares traded on the Stock Exchange of Thailand for 7 consecutive business days (from November 24, 2020 to December 2, 2020)

$$\begin{aligned} \text{Market price (Post-offering)} &= \frac{(\text{Market price} \times \text{Number of paid-up shares}) + (\text{Offering price} \times \text{Number of offered shares})}{\text{Number of paid-up shares} + \text{Number of offered shares}} \\ &= \frac{(8.79 \times 226,000,100) + (10.00 \times 226,000,100)}{226,000,100 + 226,000,100} \\ &= 9.40 \text{ Baht per share} \end{aligned}$$



In conclusion, Price dilution = $\frac{(\text{Pre-offering market price} - \text{Post-offering market price})}{\text{Pre-offering market price}} = \frac{(8.79 - 9.40)}{8.79}$
= (6.86) % or No impact from Price Dilution

8.3 Control Dilution

The offering of new shares to increase capital for the current shareholders through rights offering will not affect the proportion of the current shareholding because the company is offering new shares to the current shareholders with respect to their current shareholding. If the existing shareholders would not purchase the newly issued ordinary shares by their own proportion, then the reduction of shareholder percentage will be effected.

The company uses different method in two scenarios as follows;

Number of paid-up shares is equal to 226,000,100 shares

Number of offered shares is equal to 226,000,100 shares

Scenario 1: The existing shareholders fully subscribe for the new ordinary shares in a proportion to their respective shareholdings.

$$= 1 - \frac{(\text{Number of paid-up shares} + \text{Number of offered shares})}{(\text{Number of paid-up shares} + \text{Number of offered shares})}$$

$$= 1 - \frac{(226,000,100 + 226,000,100)}{(226,000,100 + 226,000,100)}$$

$$= 0.00\% \text{ (No effective)}$$

Scenario 2: None of the existing shareholders subscribe for the new ordinary shares in a proportion to their respective shareholdings.

$$= 1 - \frac{(\text{Number of paid-up shares})}{(\text{Number of paid-up shares} + \text{Number of offered shares})}$$

$$= 1 - \frac{(226,000,100)}{(226,000,100 + 226,000,100)}$$

$$= 50.00\% \text{ (Effect on control dilution)}$$

8.4 Earnings per Share Dilution: EPS Dilution

$$\text{EPS Dilution} = \frac{\text{EPS (pre-offering)} - \text{EPS (post-offering)}}{\text{EPS (pre-offering)}}$$

$$= \frac{0.44 - 0.22}{0.44}$$

$$= 50.53\%$$

9. Timeframe in the case that company's board has a resolution to increase capital/ shares allotment.

No.	Procedures	Date
1	The board of director has a resolution to approve the increase in capital / shares allotment	December 3, 2020
2	Record Date for EGM 1/2021	December 25, 2020
3	EGM 1/2021	February 1, 2021
4	Register an increase capital with DBD	Within 14 days from the date of the Shareholders' Annual General Meeting
5	First day of XR	To be announced
6	Record date for subscription of new shares in the proportion of current shareholders	To be announced
7	Time period for subscription of new shares in the proportion of current shareholders	To be announced
8	First day of XW	To be announced
9	Record date for warrant	To be announced

The company certifies that this information is accurate and complete.

Sincerely Yours,

Padaeng Industry Public Company Limited

(Mr. Arsa Sarasin)

Chairman

(Mr. Tommy Taechaubol)

Managing Director