

(Unofficial Translation)

**Notification of the Allocation of Warrants to Purchase Newly Issued Ordinary Shares in the Capital Increase of Padaeng Industry Public Company Limited to Existing Shareholders who Subscribe for and Are Allocated Newly Issued Ordinary Shares in the Rights Offering (PDI-W2)**

**1. Capital increase**

The Board of Directors Meeting No. 06-2020 of Padaeng Industry Public Company Limited (the "**Company**"), held on December 3, 2020, resolved to present to the Extraordinary General Meeting of Shareholders No. 1/2021, held on February 1, 2021 (the "**Extraordinary General Meeting**" or "**EGM**"), for consideration an increase of the registered capital of the Company by THB 3,013,334,660 from the existing capital of THB 3,013,265,180 to THB 6,026,599,840 through the issuing of 301,333,466 newly issued ordinary shares of THB 10.00 each, and the allocation of the newly issued ordinary shares by: (a) issuing and offering the Company's newly issued ordinary shares to the existing shareholders in proportion to their respective shareholdings (the "**Rights Offering**"), along with the issuing and offering of warrants to purchase the newly issued ordinary shares without consideration for the allocation to the existing shareholders who subscribe for and are allocated the newly issued ordinary shares in the Rights Offering. The Extraordinary General Meeting approved the matter. The details of the allocation of the warrants to purchase the Company's newly issued ordinary shares for allocation to the Company's existing shareholders who subscribe for and are allocated the newly issued ordinary shares in the Rights Offering are as follows.

**2. Allocation of the Warrants to Purchase the Company's newly issued ordinary shares to the Existing Shareholders Who Subscribe for and Are Allocated the Newly Issued Ordinary Shares in the Rights Offering (PDI-W2)**

The details of the issuing and offering of the warrants to purchase the newly issued ordinary shares to the existing shareholders who subscribe for and are allocated the newly issued ordinary shares in the Rights Offering (PDI-W2 warrants, hereinafter "**PDI-W2**") are as follows.

**2.1 Details of the offering**

The Extraordinary General Meeting resolved to approve the issuance and offering of no more than 75,333,366 units of PDI-W2 without consideration (the offering price is THB 0 per unit) resulting in no more than 75,333,366 ordinary shares to be allocated for the exercise of the warrants, at the ratio of 3 newly issued ordinary shares to 1 unit of PDI-W2 warrant (3:1). Any fraction of PDI-W2 warrants will be disregarded. The exercise ratio of the warrants is 1 PDI-W2 warrant to 1 ordinary share (1:1). PDI-W2 warrants have a term of three years from the issue date and are exercisable at the exercise price of THB 10.00 per share.

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## 2.2 Details of PDI-W2

<b>Warrant type</b>	Warrants to purchase ordinary shares of Padaeng Industry Public Company Limited (The "Company") No. 2 ("Warrants" or "PDI-W2")
<b>Warrant type</b>	Specified name of the holder and can be changed
<b>Number of warrants issued</b>	Not more than 75,333,366 units
<b>Offering price per unit</b>	-0- Baht (Zero Baht)
<b>Exercise ratio</b>	1 unit of warrant for 1 share (subject to change in accordance with the adjustment of rights)
<b>Exercise price</b>	The exercise price of warrants at 10.00 Baht per share (PAR value of 10.00 Baht per share) (unless the exercise price is adjusted under the rights adjustment conditions)
<b>Warrant term</b>	3 years from the date of issuance and offering of warrants
<b>Number of shares issued to support warrants</b>	Not more than 75,333,366 shares, with a par value of 10.00 baht per share
<b>Offering method</b>	To be allocated to existing shareholders of the Company who subscribe for and are allocated newly issued ordinary shares of the Company in the Rights Offering. The allocation is in a ratio of 3 new ordinary shares to 1 unit of the PDI-W2 (3:1)  Any fractions resulting from the calculation based on the allocation ratio set forth shall be rounded down
<b>Issuance date</b>	Will announce later
<b>Period and exercise date</b>	Warrant holders can exercise the right as per PDI-W2 on business day every 3 months from the date of issuance of the warrants (the "exercise date") and the last exercise date is the  That the warrants have matured 3 years from the date of issuance of the warrants  In the event that the exercise dates is not a business day. The exercise date shall be moved to the previous business day prior to the said exercise date.
<b>Period for intention to exercise rights</b>	In a 5 days period before the exercise date, except the last exercise date will be not less than 15 days.
<b>Offering period</b>	Offering must be completed within 1 year from the date that the shareholders' meeting approves the issuance and offering of the said warrants. Which will empower the Board of Directors of the Company or Executive Committee or Authorized Directors or Managing Director and/or persons assigned by the Board of Directors or Executive Committee or Authorized Directors or Managing Director to have the power to consider, allocate, specify conditions and further details

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<b>Secondary market of warrants</b>	The Company will use the warrants that are issued and offered for sale at this time. Listed on the Stock Exchange of Thailand
<b>Secondary market of ordinary shares resulting from the exercise</b>	The Company will list the ordinary shares resulting from the exercise of the warrants on the Stock Exchange of Thailand.
<b>Terms and Conditions in case of having Warrants remaining</b>	The Company will cancel all of remaining warrants.
<b>Other rights and benefits</b>	Ordinary shares issued under this exercise of the warrants will have rights and the status of shares equivalent to the ordinary shares of the company previously issued in all aspects.
<b>Impact on shareholders</b>	<p>The company offered warrant to purchase ordinary shares no.2 (PDI-W2) to the existing shareholders of Padaeng Industry Public Company Limited at the ratio 3:1, at no cost. At the end, one of warrant can exercise for one ordinary share at 10.00 Baht. There is no dilution effectives because of all shares are offered to newly shareholders.</p> <p>However, if there are some of the existing shareholders subscribe for the new warrants, then the control dilution is affected on existing shareholders after offering as follows:</p> <p><b>1) Control Dilution</b></p> <p>Number of paid-up shares is equal to 226,000,100 shares  Number of offered shares is equal to 226,000,100 shares  Number of shares to be increased upon the exercise of the right to purchase ordinary shares is equal to 75,333,366 shares</p> <p>The dilution effect to the Company's shareholders can be determined in 3 scenario as follows:</p> <p><b>Scenario 1 The existing shareholders fully subscribe for the new ordinary shares in the Rights Offering in proportion to their respective shareholdings, and all of the persons who exercise the right to purchase ordinary shares under the PDI-W2 Warrants are the existing shareholders.</b></p> $= 1 - \frac{(\text{Number of paid-up shares} + \text{Number of offered shares} + \text{Number of shares to be increased upon the exercise of the right to purchase ordinary shares})}{(\text{Number of paid-up shares} + \text{Number of offered shares} + \text{Number of shares to be increased upon the exercise of the right to purchase ordinary shares})}$

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$$= 1 - \frac{(226,000,100 + 226,000,100 + 73,333,366)}{(226,000,100 + 226,000,100 + 73,333,366)}$$

= 0% (No effective)

**Scenario 2 The existing shareholders fully subscribe for the new ordinary shares in the Rights Offering in proportion to their respective shareholding, but all of the persons who exercise the right to purchase ordinary shares under the PDI-W2 Warrants are not the existing shareholders.**

$$= 1 - \frac{(\text{Number of paid-up shares} + \text{Number of offered shares})}{(\text{Number of paid-up shares} + \text{Number of offered shares} + \text{Number of shares to be increased upon the exercise of the right to purchase ordinary shares})}$$

$$= 1 - \frac{(226,000,100 + 226,000,100)}{(226,000,100 + 226,000,100 + 75,333,366)}$$

= 14.29% (Effect on control dilution)

**Scenario 3 No existing shareholders subscribe for the all of new ordinary shares and all of the persons who exercise the right to purchase ordinary shares under PDI-W2 Warrants are not the existing shareholders of the Company.**

$$= 1 - \frac{(\text{Number of paid-up shares})}{(\text{Number of paid-up shares} + \text{Number of offered shares} + \text{Number of shares to be increased upon the exercise of the right to purchase ordinary shares})}$$

$$= 1 - \frac{(226,000,100)}{(226,000,100 + 226,000,100 + 75,333,366)}$$

= 57.14% (Effect on control dilution)

## 2) Price Dilution

If all of the ordinary shares to be issued upon exercising the warrants (PDI-W2), PDI's share price will not effected, because of the exercise price is equal to 10 Baht per share, which higher than a market price as it is 8.79 Baht. 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 before the Board of Director's Meeting No. 06-2020 on December 3, 2020 (from November 24, 2020 to December 2, 2020)

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	<p><b>3) Earnings Dilution</b></p> $\text{EPS Dilution} = \frac{\text{EPS (pre-offering)} - \text{EPS (post-offering)}}{\text{EPS (pre-offering)}}$ $= \frac{0.44 - 0.22}{0.44}$ $= 50.53\%$
<p><b>Adjustment of warrants</b></p>	<p>The Company will adjust the exercise price and exercise ratio. When one of the following events occurs The objective is to protect the benefits of the Warrant Holders not to be inferior;</p> <ol style="list-style-type: none"> <li>1. When there is a change in the par value of the company's shares As a result of stock consolidation or stock split;</li> <li>2. When the company offers to sell any newly issued shares At a price that is lower than 90 percent of the share price calculated using the market price method at the time the offer is made or the market price before the offering And is the calculation method as specified in the rights specification;</li> <li>3. When the company offers to sell convertible bonds or newly issued warrants by fixing the price or calculating the price of the newly issued shares to accommodate the said convertible bonds or warrants Less than 90 % of the share price calculated using the market price method when offering convertible bonds or warrants Or the market price before the offering of convertible bonds or warrants And is the calculation method as specified in the rights specification;</li> <li>4. When the company pays dividends in whole or in part, newly issued shares to shareholders;</li> <li>5. When the company pays dividends in cash which exceeds 90 percent of the net profit according to the company financial statements After deduction of income tax for operations in any accounting period;</li> <li>6. When there are any other cases in the same manner as items 1 to 5 that result in any compensation Which the Warrant holders will receive when the exercise of the Warrants is lower than before.</li> </ol> <p>In this regard, assigning the Board of Directors or Executive Committee or Authorized Directors or Managing Director of the Company and/or persons assigned by them has/have the authority in determining the conditions and other details Related to the adjustment or adjustment of the exercise ratio and exercise price.</p>

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<b>Other conditions</b>	<p>The Board of Directors is authorized to</p> <p>(1) set the conditions and other details that are necessary and appropriate in relation to the issuance of the warrants, such as the date of issuance of the warrants Offering details Warrant allocation methods Exercise period End of exercise date</p> <p>(2) Sign in various authorization request documents and evidence that is necessary and relevant to the issuance of the Warrants, which includes contacting and requesting permission, application for waiver to relevant departments</p> <p>(3) To take necessary and appropriate actions in relation to the Warrants and the issuance and offering of the Warrants at this time.</p> <p>The Company will not extend the term of the warrants. Not changing the price and exercise ratio. Unless it is an adjustment according to the rights adjustment conditions.</p>
<b>Warrant registrar</b>	Thailand Securities Depository Company Limited

**3. The date to determine shareholders who are entitled to the allocation of PDI-W2 (the "Record Date")**

The Record Date is scheduled for July 16, 2021. The Company will allocate PDI-W2 to the existing shareholders who subscribe for and are allocated the newly issued ordinary shares in the Rights Offering.

**4. Subscription date, payments for the subscription to PDI-W2**

There will be no subscription date or payments for PDI-W2 since PDI-W2 are allocated to the existing shareholders of the Company without consideration. PDI-W2 will be allocated to the existing shareholders of the Company whose names appear on the Company's share register on July 16, 2021 who subscribe for and are allocated the newly issued ordinary shares in the Rights Offering.

**5. Terms and conditions of PDI-W2**

Please refer to Enclosure 3.