

(F 53-4)

Capital Increase Report Form
RATCH Group Public Company Limited
Date: 2 March 2022

We, RATCH Group Public Company Limited (the “Company”), hereby reports the resolutions of the Board of Directors' Meeting No. 3/2022 of the Company held on 2 March 2022 in relation to the capital increase and allocation of new ordinary shares as follows:

1. Capital increase

The meeting of Board of Directors resolved to propose to the 2022 Shareholders’ Annual General Meeting to consider the increase of the registered capital of the Company from THB 14,500,000,000 to THB 22,192,307,700 by way of issuing new ordinary shares in the amount of 769,230,770 shares at par value of THB 10 each, totaling THB 7,692,307,700. The capital increase is as detailed below:

Type of capital increase	Type of shares	Number of share (Shares)	Par value (THB/share)	Total (THB)
<input checked="" type="checkbox"/> Specific Use of Proceeds	Ordinary share	769,230,770	10	7,692,307,700
<input type="checkbox"/> General Mandate	-	-	-	-

2. Allocation of new ordinary shares

2.1 Specific Use of Proceeds

Allocation	Number of shares (Shares)	Ratio (Existing: New)	Sale price (THB/ share)	Date and time of subscription and share payment	Remark
For issuing and offering the shares in proportion to the shareholding of existing shareholders, except where such allocation will result in the Company being subject to any obligations under the law of other	Up to 769,230,770 shares.	Not less than 1.885 existing ordinary shares to 1 new ordinary share, provided that a fraction of share will be rounded down.	PPO Price will be calculated from the weighted average price of the Company's shares during a period of 7 - 15 days prior to the date of the 2022 Shareholders’ Annual General Meeting	6 - 10 June 2022	Please see additional information in the remarks below.

Allocation	Number of shares (Shares)	Ratio (Existing: New)	Sale price (THB/ share)	Date and time of subscription and share payment	Remark
<p>jurisdictions (Preferential Public Offering: PPO). Existing shareholders shall be entitled to oversubscribe for the new ordinary shares in excess of their rights. The Company reserves the right to not offer or allocate the new ordinary shares in the PPO to any shareholder if such offering or allocation will or may result in the Company being subject to any obligations under the law of other jurisdictions. In this regard, the Company has contemplated that no offering or allocation of new ordinary shares in the PPO will be made to shareholders in the United States of America, the People's Republic of China, Canada, South Africa, Japan, Australia and other jurisdictions as the Company may deem appropriate. The Company will further announce via the Stock Exchange of Thailand if the</p>			<p>(27 April 2022) less a discount of not more than 15 percent of the Market Price. In addition, following the announcement of the PPO Price (whether before or after the 2022 Shareholders' Annual General Meeting), the Company may adjust or modify, either by increasing or reducing, the announced PPO Price if it is deemed appropriate for the success of the PPO, provided that the PPO Price Adjustment shall be no more than 10 percent of the announced PPO Price.</p> <p>(Please see additional information in the remarks below)</p>		

Allocation	Number of shares (Shares)	Ratio (Existing: New)	Sale price (THB/ share)	Date and time of subscription and share payment	Remark
Company contemplates any additional jurisdictions that it will not offer or allocate new ordinary shares in the PPO to shareholders in such jurisdictions.					

Remarks

The Board of Directors' Meeting No. 3/2022 of the Company held on 2 March 2022 resolved to amend the Company's capital increase plan with an effect to replace the resolution of the Board of Directors' Meeting No. 6/2021 held on 22 June 2021 with respect to the approval of the Company's capital increase in its entirety and resolved to propose to the Shareholders' Annual General Meeting to consider the allocation of up to 769,230,770 shares at par value of THB 10 each for issuing and offering to existing shareholders in proportion to their shareholding, except where such allocation will result in the Company being subject to any obligations under the law of other jurisdictions (Preferential Public Offering: PPO), at an offering ratio of not less than 1.885 existing ordinary shares to 1 new ordinary share, provided that a fraction of share will be rounded down, and the existing shareholders shall be entitled to oversubscribe for the new ordinary shares in excess of their rights; whereas new ordinary shares remaining unsubscribed from the first allocation will be re-allocated to every shareholder who has oversubscribed for and fully paid the price of the shares, whereby each round of reallocation will be made accordingly in proportion to their respective shareholdings of each oversubscribing shareholder **(the "PPO")**. In this regard, the allocation of the oversubscribed shares shall be made in accordance with the following details:

- 1) if the number of shares remaining from the first allocation to the existing shareholders in proportion to their respective shareholdings is higher than or equal to the number of shares which are oversubscribed for by the existing shareholders, the Company will allocate the remaining shares to all oversubscribing shareholders who have fully paid the price of the oversubscribed shares in accordance with the number of shares for which they have expressed their intention to oversubscribe;
- 2) if the number of shares remaining from the first allocation to the existing shareholders in proportion to their respective shareholdings is lower than the number of shares which are oversubscribed for by the existing shareholders, the Company will allocate the remaining shares to the oversubscribing shareholders as follows:
 - 2.1) the Company will allocate the remaining shares by multiplying the shareholding percentage of each oversubscribing shareholder by the number of the remaining shares, the result thereof will be in the round number of shares to be allocated to the oversubscribing shareholders. In the case of a fraction of a share, the fraction shall be rounded down. However, the number of shares to be allocated shall not exceed the number of shares for which each shareholder has subscribed and fully paid for;
 - 2.2) if there are shares remaining from the allocation pursuant to 2.1), the Company will allocate the remaining shares to each oversubscribing shareholder who has not been fully allocated with oversubscribed shares by multiplying the shareholding percentage of each oversubscribing existing shareholder by the number of the remaining shares,

the result thereof will be the round number of shares be allocated to the oversubscribing shareholders. In the case of a fraction of a share, the fraction shall be rounded down. However, the number of shares to be allocated shall not exceed the number of shares for which each shareholder has subscribed and fully paid for. The Company shall allocate the oversubscribed shares to the oversubscribing shareholders in accordance with the procedures under this provision until there are no shares remaining from the allocation.

If the share subscription under the PPO would result in any subscriber holding the shares in the number which reaches or crosses the threshold where a tender offer for all securities of the Company is required under the law, such shareholder must comply with the relevant laws and regulations.

Preliminary, the Company expects that the total value of the PPO will be approximately THB 25,000,000,000 based on the assumption that the offering price of the new ordinary shares in the PPO (**the “PPO Price”**) is approximately THB 39 per share¹. However, the actual PPO Price will be calculated from the weighted average price of the Company’s shares during a period of 7 – 15 days prior to the date of the 2022 Shareholders’ Annual General Meeting (27 April 2022) (**the “Market Price”**) less a discount of not more than 15 percent of the Market Price. The Company will further announce the PPO Price together with the offering ratio of the PPO (the ratio of existing ordinary share to new ordinary share) within the date of the 2022 Shareholders’ Annual General Meeting (27 April 2022). In addition, following the announcement of the PPO Price (whether before or after the 2022 Shareholders’ Annual General Meeting), the Chief Executive Officer shall be authorised to, and/or to sub-authorise any appropriate person to, adjust or modify, either by increasing or reducing, the announced PPO Price (**the “PPO Price Adjustment”**) if it is deemed appropriate for the success of the PPO, provided that the PPO Price Adjustment shall be no more than 10 percent of the announced PPO Price. In determining the PPO Price and the PPO Price Adjustment, the Company will take into account market conditions, success of the PPO in order to achieve most of the Company’s capital raising objectives and other relevant factors as the Company considers appropriate.

The date to determine the name of shareholders who are entitled to the offering of new ordinary shares in the PPO (Record Date) will be on 9 May 2022 and the period for subscription and subscription payment in respect of the PPO will be on 6 – 10 June 2022. However, such dates remain tentative and are subject to the approval of the Shareholders’ Annual General Meeting.

The Company reserves the right to not offer or allocate the new ordinary shares in the PPO to any shareholder if such offering or allocation will or may result in the Company being subject to any obligations under the law of other jurisdictions. In this regard, the Company has contemplated that no offering or allocation of new ordinary shares in the PPO will be made to shareholders in the United States of America, the People’s Republic of China, Canada, South Africa, Japan, Australia and other jurisdictions as the Company may deem appropriate. The Company will further announce via the Stock Exchange of Thailand if the Company contemplates any additional jurisdictions that it will not offer or allocate new ordinary shares in the PPO to shareholders in such jurisdictions.

In this regard, the Company authorises the Chief Executive Officer to undertake and/or sub-authorise any appropriate person to undertake any actions with regard to the allocation of such new ordinary shares including, but not limited to:

- 1) determining, amending and modifying any conditions and details in relation to the PPO, including, but not limited to:
 - a) the number of new ordinary shares to be allocated to existing shareholders;
 - b) the date to determine the name of shareholders who are entitled to the offering of new ordinary shares in the PPO (Record Date);
 - c) any shareholders who may not be entitled to subscribe for or being allocated of the new ordinary shares in the PPO if such offering or allocation will or may result in the Company being subject to any obligations under the law of other jurisdictions;

¹ The PPO Price of THB 39 per share is only a hypothetical price for the purpose of calculating an estimate of PPO value. The PPO Price will be calculated by the prescribed method and criteria and the final PPO Price will be further announced.

- d) the offering ratio of the PPO (i.e. the subscription ratio of existing ordinary share to new ordinary share);
 - e) the determination of the PPO Price, the calculation of the PPO Price, the determination of any discount for such calculation and the PPO Price Adjustment;
 - f) the method of oversubscription share allocation;
 - g) the period of subscription and subscription payment of the PPO; and
 - h) any other conditions and details of the PPO;
- 2) negotiating, agreeing and signing any relevant documents and agreements, as well as to undertake any acts in connection with the foregoing allocation of new ordinary shares;
 - 3) signing application for approval and waiver as well as any evidences in connection with the foregoing allocation of new ordinary shares, including preparing and submitting application for approval and waiver, as well as documents, reports and evidences to competent authorities or relevant agencies, registering the new ordinary shares as registered securities on the Stock Exchange of Thailand, and performing any other acts necessary for the foregoing allocation of new ordinary shares as deemed appropriate;
 - 4) appointing and authorising other appropriate persons to be the substitute attorney in fact to perform the foregoing acts or deeds.

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

Any fraction of shares from the allocation of the new ordinary shares to each shareholder in proportion to their respective shareholdings shall be rounded down.

3. Schedule for the shareholders' meeting to approve the capital increase and the share allocation

The Company determine the date to convene the Shareholders' Annual General Meeting to consider the registered capital increase, the amendment of Clause 4 of the Memorandum of Association to reflect the registered capital increase and the allocation of new ordinary shares in accordance with item 2 above to be on 27 April 2022.

4. Application for approval of the capital increase/allocation of new shares with the relevant governmental agencies and approval conditions (if any)

- 1) The Company will register the increase of the registered capital and the change to the registered capital and the amendment to the Memorandum of Association with the Department of Business Development under the Ministry of Commerce, within 14 days from the date on which the Shareholders' Annual General Meeting has approved the increase of the registered capital, and will register the increase of the paid-up capital within 14 days from the date on which the new ordinary shares are fully paid-up.
- 2) The Company will file the application for the listing of the new ordinary shares as registered securities with the Stock Exchange of Thailand.

5. Objectives of the capital increase and use of proceeds

The proceeds will be used for investment in domestic and foreign projects of the Company being undertaken at present or to be undertaken in the future, including, but not limited to, a power

plant project in the Republic of Indonesia, repayment of the Company's indebtedness and as general operating costs as well as working capital of the Company.

6. Benefits which the Company will receive from the capital increase/share allocation

- 1) Enhancing financial liquidity of the Company as well as to increase working capital for business operation;
- 2) Strengthening the financial structure of the Company and maintaining its financial ratios to comply with the requirements of credit rating agencies as well as creating the financial stability for sustainable growth;
- 3) Providing the Company's financing capability to support further investments which will result in potential growth of the Company's results of operations in the future.

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

7.1 Dividend policy

The Company has a policy to pay dividend to the shareholders at no less than 40 percent of the Company's consolidated net profit after legal reserve and other reserve obligations and subject to other relevant and additional terms and conditions. Such dividend payment may be subject to change depending on the Company's results of operation, cash flow, investment requirements, conditions and restrictions under relevant financing agreements and other relevant considerations in the future. In the case where the Company's Board of Directors resolves to pay annual dividend, it must propose such resolution to the Company's meeting of the shareholders for approval, unless in case of an interim dividend payment which the Company's Board of Directors has the authority to approve the dividend payment and report such payment in the subsequent meeting of the shareholders.

The subscribers of the new ordinary shares will be entitled to receive dividends from the Company's business operations from the date on which they are registered as the Company's shareholders and the Company declares dividend payment. The dividend payment of the Company is subject to results of operation and shall be in accordance with the relevant laws and regulations.

7.2 Others

-None-

8. Other details necessary for decision-making by shareholders in approving the capital increase and the share allocation

8.1 Effects on shareholders from the allocation of new ordinary shares

8.1.1 Price Dilution

After the allocation of the new ordinary shares to the existing shareholders in proportion to their respective shareholdings, price dilution will be subject to the exercise of the rights to purchase new ordinary shares of each existing shareholder. In case no existing shareholders exercise their rights to purchase any new ordinary shares, there will be no price dilution effect on the shares of the Company. However, if all existing shareholders fully exercise their rights, the price of the shares of the Company will be affected and it will be decreased by up to 8.15 percent as per the following calculation:

$$\begin{aligned} &= \frac{\text{Market price before offering} - \text{Market price after offering}}{\text{Market price before offering}} \\ &= \frac{45.73 - 42.00}{45.73} \\ &= \text{Up to 8.15 percent} \end{aligned}$$

Market price before offering:

The weighted average of the Company's share price for a period of 15 consecutive trading days prior to the Board of Directors' Meeting dated 2 March 2022 (during 8 February 2022 to 1 March 2022) which is equivalent to THB 45.73 per share.

Market price after offering

$$\begin{aligned} &= \frac{(\text{Market price before offering} \times \text{Number of paid-up shares}) + (\text{Offering price} \times \text{Number of shares offered})}{\text{Number of paid-up shares} + \text{Number of shares offered}} \\ &= \frac{(45.73 \times 1,450,000,000) + (34.98^2 \times \text{Up to } 769,230,770)}{1,450,000,000 + \text{Up to } 769,230,770} \\ &= \text{Not less than THB 42.00 per share} \end{aligned}$$

² Assuming PPO Price at THB 34.98 is calculated from the weighted average price of the Company's ordinary shares on the Stock Exchange of Thailand during a period of 15 consecutive trading days prior to the date of Board of Directors' Meeting held on 2 March 2022 (during 8 February 2022 to 1 March 2022) less a discount of 15 percent. The PPO Price will be determined within the date of the 2022 Shareholders' Annual General Meeting (27 April 2022). Following the announcement of the PPO Price, the Company may adjust the announced PPO Price for no more than 10 percent per the prescribed criteria above.

8.1.2 Control Dilution

After the allocation of the new ordinary shares to the existing shareholders of the Company in proportion to their respective shareholdings, in the case that all existing shareholders fully exercise their rights to purchase the new ordinary shares, there will be no control dilution.

However, in the case that any shareholder does not exercise the rights to subscribe for any new ordinary shares and other shareholders exercise their rights to subscribe for all of the new ordinary shares in accordance with their rights and/or make oversubscription for new ordinary shares resulting in the new ordinary shares being fully subscribed, there will be a control dilution effect on such non-subscribing shareholder, whereas the shareholder's voting rights will be decreased by not more than 34.66 percent as per the following calculation:

$$\begin{aligned} &= \frac{\text{Number of shares offered}}{\text{Number of paid-up shares} + \text{Number of shares offered}} \\ &= \frac{\text{Up to 769,230,770}}{1,450,000,000 + \text{Up to 769,230,770}} \\ &= \text{Up to 34.66 percent} \end{aligned}$$

8.1.3 Earnings per Share (EPS) Dilution

$$\begin{aligned} &= \frac{\text{EPS before offering} - \text{EPS after offering}}{\text{EPS before offering}} \\ &= \frac{5.36 - 3.50}{5.36} \\ &= \text{Up to 34.66 percent} \end{aligned}$$

$$\begin{aligned} \text{Whereby EPS before offering} &= \frac{\text{Net profit (THB million)}}{\text{Number of paid-up shares}} \\ &= \frac{\text{THB 7,772.02 million}}{1,450,000,000} \\ &= \text{THB 5.36 per share} \end{aligned}$$

$$\begin{aligned}
\text{Whereby EPS after offering} &= \frac{\text{Net profit (THB million)}}{\text{Number of paid-up shares + Number of shares offered}} \\
&= \frac{\text{THB 7,772.02 million}}{1,450,000,000 + \text{Up to } 769,230,770} \\
&= \text{Not less than THB 3.50 per share}
\end{aligned}$$

Net profit is calculated on basis of the net profit of the last 12 months from 1 January to 31 December 2021. However, in preparation of the notice of rights to subscribe for the new ordinary shares to the Company's existing shareholders which will be further delivered to the shareholders, the Company will calculate the earnings per share dilution based on the net profit of the last 12 months by using the most updated information at that time.

When comparing the benefits which shareholders will receive from the capital increase and share allocation with the price and the dilution effects of control or earnings per share as set out above, the Board of Directors has viewed that the benefits which shareholders will receive from the capital increase and share allocation are greater than the dilution effect on price, control or earnings per share, because the capital increase and share allocation will enable the Company to strengthen its financial position and will continue to obtain working capital for its flexibility and liquidity of business operations in the future.

8.2 Opinions of the Board of Directors on the capital increase or the allocation of new ordinary shares

8.2.1 Rationale and necessity for the capital increase

The Board of Directors has viewed that it was necessary for the Company to increase its registered capital and allocate the new ordinary shares as set out above. The proceeds from the allocation of the new ordinary shares would be used for the purposes as described under item 5 above. It is noted that the allocation of new ordinary shares in the manner described above requires shorter period of time as compared to other methods of fund raising, particularly the public offering of new ordinary shares. Therefore, the capital increase meets the objective of raising funds in a short period of time and mitigating any risk involved with fund raising during the current volatile economic conditions.

8.2.2 Feasibility of the plan for the use of proceeds

The Company plans to allocate the new ordinary shares to the existing shareholders of the Company in proportion to their respective shareholdings and obtain the proceeds from such allocation by June 2022 which will be used for the purposes as described under item 5 above.

8.2.3 Reasonableness of the capital increase, plan for the use of proceeds from the share offering, and projects to be implemented, including sufficiency of the sources of funds in the case that proceeds from the allocation of the new ordinary shares are insufficient to cover the total budget required for the implementation

The Board of Directors has viewed that the proposed capital increase was appropriate, reasonable and was in the best interest of the Company and all shareholders because the proceeds therefrom will strengthen the financial structure of the Company, create the financial stability for sustainable growth and provide the Company's financing capability to support further investments which will result in potential growth of the Company's results of operations in the future. The Board of Directors has viewed that the Company will have sufficient funds to achieve the purposes of use of proceeds as described above if the fund raising by way of this capital increase is successful.

8.2.4 Potential impacts on the business operations, as well as financial position and operating results of the Company as a result of the capital increase and the implementation of the plan for the use of proceeds or projects

The Board of Directors has viewed that the allocation of the new ordinary shares as described above was in line with the Company's financing plan, which would allow the Company to be able to use the proceeds from the capital increase for the purposes as described under item 5 above. The implementation of the foregoing would be beneficial to the Company and will not have any adverse effect on the business operations of the Company, as well as its financial position and results of operation. However, if the proposed capital increase is not successful, the Company may have to seek funds from other sources for use for the above purposes which may require a longer period of time as compared to the proposed increase of capital by allocation of new ordinary shares.

9. **Timeline in respect of procedure for the capital increase/allocation of new ordinary shares**

No.	Procedure	Date
1.	The date of the Board of Directors' Meeting No. 3/2022	2 March 2022
2.	The date for determining the name of shareholders who are entitled to attend the 2022 Shareholders' Annual General Meeting (Record Date)	18 March 2022
3.	The date of the 2022 Shareholders' Annual General Meeting	27 April 2022
4.	Date for announcement of PPO Price and PPO offering ratio (i.e. ratio of existing ordinary share to new ordinary share)	Within the date of the 2022 Shareholders' Annual General Meeting
5.	The date for determining the name of the shareholders, who are entitled to the offering of new ordinary shares under the PPO (Record Date)	9 May 2022
6.	Registration of registered capital increase and the amendment to the Memorandum of Association with the Ministry of Commerce	Within 14 days from the date on which the shareholders' meeting approves the registered capital increase and the amendment to the Memorandum of Association
7.	Subscription period of the new ordinary shares in the PPO	6 – 10 June 2022
8.	Registration of change in paid-up capital with the Ministry of Commerce	Within 14 days from the end of PPO subscription and subscription payment period

10. **Representations of the Board of Directors on the capital increase**

If a director of the company fails to perform fiduciary duties to preserve the interest of the Company with respect to the capital increase, and such failure causes damage to the Company, the shareholders may file a lawsuit to claim damages against such director on behalf of the Company in accordance with Section 85 of the Public Limited Companies Act B.E. 2535 (1992). If such failure results in the director or related persons obtaining undue benefits, the shareholders are entitled to bring an action on behalf of the Company to claim against such director to return the benefits in accordance with Section 89/18 of the Securities and Exchange Act B.E. 2535 (1992).

We hereby certify that the information contained in this report is correct and complete in all respects.



Signed.....

(Miss Choosri Kietkajornkul)
Chief Executive Officer