

(F 53-4)

Capital increase report form
Phol Dhanya Public Company Limited
20 July 2016

We, Phol Dhanya Public Company Limited, hereby report on the resolution of Board of Director's meeting no. 7/2016, held on Wednesday, 20 July 2016 at 1.30 p.m. at Meeting Room located in 1/11 Moo 3, Lamlukka Rd., Ladsawai, Lamlukka, Pathum Thani 12150 relating to a capital increase/share allotment as follows:

1. Capital decrease

The Board of Directors' Meeting passed a resolution approving the reduction of the company's registered capital by Baht 14 from Baht 162,000,000.00 to Baht 161,999,986.00 by cancelling unsubscribed shares at the par value of 1.00 Baht, totaling 14 shares.

2. Capital increase:

The Board of Director's Meeting passed a resolution approving the increase of the Company's registered capital in the amount of 88,999,992.00 Baht from current Company's registered capital in the amount of 161,999,986.00 Baht to Company's registered capital in the amount of 250,999,978.00 Baht by issuing capital increase ordinary shares in the number of 88,999,992 shares at a par value of 1.00 Baht.

Type of capital increase	Type of share	Number of shares (shares)	Par value (THB/share)	Total (THB)
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds	Ordinary	88,999,992	1.00	88,999,992.00
	Preferred	-	-	-
<input type="checkbox"/> General mandate	Ordinary	-	-	-
	Preferred	-	-	-

3. Allotment of new shares:

3.1 If specifying the purpose of utilizing proceeds

Allotted to	Number of shares (shares)	Ratio (old : new)	Sale price (THB/share)	Subscription and payment period	Note
Existing Shareholders of the Company according to their shareholding position (Rights Offering)	40,499,996	4 : 1	2.00	Approximately around 26 – 30 September 2016 (only 5 business days)	-
To support the exercise of warrants (PHOL-W1)	40,499,996	4 : 1:1	0.00 (Exercise Price at 3.00 Baht per Unit)		
To support the rights adjustment of ESOP warrant allotted to Board of Director and employee of the Company due to the issue and offering of newly issued ordinary share to existing shareholder of the Company	8,000,000	-	0.00 (Exercise Price at 3.00 Baht per Unit)		

Note:

The Board of Directors' Meeting No. 7/2016 held on 20 July 2016 resolved as follows:

- To allot the newly issued ordinary shares in the number of not exceeding 40,499,996 shares with a par value of Baht 1.00 per share to the existing shareholders in proportion of their shareholding (the Rights Offering), at an offering ratio of 4 existing ordinary shares to 1 new ordinary share at 2.00 Baht per share.

In allotment of the newly issued ordinary shares to the existing shareholders in proportion of their shareholding, the shareholders may oversubscribe for shares in excess of their existing shareholding (“the Oversubscription”). The Oversubscription shares will be allotted to such oversubscribing shareholders only after newly issued ordinary shares are allocated proportionately to all shareholders who subscribe in the first round. Criteria for allotment of Oversubscription shares are as follows:

In case where unsubscribed shares exceed the number of shares oversubscribed for:

The Company will allot shares to all shareholders who have expressed their intention to subscribe for shares in excess of their right and who have paid subscription price for such shares.

In case where unsubscribed shares are less than the number of shares oversubscribed for:

(a) Each shareholder who has expressed the intention to subscribe for shares in excess of their existing shareholding shall be allotted Oversubscription shares in proportion to shareholding of each shareholder (Decimal fractions of shares derived from calculations shall be rounded down). The number of shares to be allotted to oversubscribing shareholders shall not exceed the number of shares subscribed and paid for.

(b) The remaining shares after the allotment under (a) shall be allotted proportionately to each of oversubscribing shareholders who have not been fully allotted with shares (Decimal fractions of shares or warrants derived from calculations shall be rounded down). The number of shares to be allotted to oversubscribing shareholders shall not exceed the number of shares subscribed and paid for. The allotment process under this clause (b) shall be repeated until no shares are left.

Under no circumstances will the Company allot shares to any oversubscribing shareholders in a manner which will result in such oversubscribing shareholders holding shares in the Company in an amount that reaches or crosses the tender offer requirement threshold prescribed under the Notification of the Capital Market Supervisory Board no. Tor Chor 12/2554 re: criteria, conditions and methods of takeover (the “Tor Chor 12/2554 Notification”), or in a manner which would result in a breach in the Company’s foreign shareholding limit of 49 percent of total issued shares of the Company.

In this regard, the Board of Directors or person(s) entrusted by the Board of Directors shall have the power to consider (1) determining and amending the terms, conditions and other details relating to the offering, such as the date on which the recorded shareholders are entitled to subscribe for the capital increase ordinary shares (Record Date) or the closing date of the share register book to determine the rights of the shareholders to subscribe for the capital increase ordinary shares (Book Closing), the subscription period, the offering price, the subscription ratio, the methods and conditions of payment, and other details relating to offering of the capital increase ordinary shares; (2) entering into, negotiation, agreement and execution of relevant documents and agreements; (3) executing any application for approval, waiver and evidence necessary and related to the allotment of the capital increase ordinary shares, including contacting and submitting such applications for approval or waiver, document or evidence to government agencies or relevant authorities and the listing of the

capital increase ordinary shares on the Market for Alternative Investment (“mai”); and (4) taking any action necessary and appropriation relating to the allotment of such capital increase ordinary shares in all respects.

- The newly issued shares of the Company in the number of not exceeding 40,499,996 shares with the par value of 1.00 baht, shall be allotted as the shares reserved for the exercise right of the Ordinary Share-Purchase Warrants of Phol Dhanya Public Company Limited # 1 (PHOL-W1). The PHOL-W1 shall be allotted proportionately to the existing shareholders who subscribe their rights offering. Shareholders shall exercise their right to subscribe for the Rights Offering ordinary shares and shall proportionately subscribe for all warrants at the same time of the subscription.

In addition, the board meeting authorized the board of directors and/or the managing director and/or a person authorized by the board of directors to consider and determine other details with regard to the allocation of the PHOL-W1 and newly issued ordinary shares including, but not limited to, (1) determine, amend and add any details and condition which are required and related to the issuance and offering of the PHOL-W1 so far as legally permissible or the same is not material e.g. date, time and method of the issuance and offering of the PHOL-W1, the exercise method of the PHOL-W1; (2) entering into negotiation, agreement and execution of the relevant documents and agreements as well as taking any action in connection with the allocation of the PHOL-W1 and newly issued ordinary shares (3) execution of application for permission and waiver, any necessary evidence in connection with the allocation of such newly issued ordinary shares, including the arrangement and submission of application for such permission and waiver, documents and evidence to relevant authorities or agencies, listing such newly issued ordinary shares on the mai market and (4) being empowered to take any other action which is necessary for the allocation of such newly issued ordinary shares.

- To allot the newly issued shares of the Company in the number of 8,000,000 shares with the par value of 1.00 baht, as the shares reserved for the exercise right of the Ordinary Share-Purchase Warrants of Phol Dhanya Public Company Limited to the Directors and Management/Employees of the Company # 1 (ESOP-Warrant). The exercise ratio is 1 ESOP- Warrant for 1 share.

In addition, the board meeting authorized the board of directors and/or the managing director and/or a person authorized by the board of directors to consider and determine, but not limited to, (1) determining and amending the terms and condition which are required and related to the issuance and offering of the ESOP-Warrant to the Board of Director and Employees of the Company only at what law and regulation allow and not to change the significant of such condition such as method and regulation of allotment, date and time for subscription of ESOP-warrant ; (2) entering into negotiation, agreement and execution of the relevant documents and agreements; (3)

executing any application for approval, waiver and evidence necessary and related to the allotment of the ESOP-Warrant to the Board of Director and Employees of the Company, including contacting and submitting such applications for approval or waiver, document or evidence to government agencies or relevant authorities and the listing of the capital increase ordinary shares on the Market for Alternative Investment .

3.2 The Company's plan in case there is a fraction of shares remaining

- Any fraction of shares from the calculation of such allotment shall be disregarded.

4. Schedule for a shareholders' meeting to approve the capital increase/allotment

The Extraordinary General Meeting of Shareholders is scheduled to be held on 29 August 2016 at 2.00 p.m. at the Company's meeting room 3rd floor of Phol Dhanya Public Company Limited No. 1/11 Moo3 Lamlukka Rd, Lad Sawai, Lamlukka, Pathumthani 12150. The Record Date for the right to attend the Meeting is confirmed to be on 4 August 2016 and the names of eligible shareholders as stipulated in the Securities and Exchange Act, Section 225, by closing the share registration book on 5 August 2016.

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

(if any)

- 5.1 The Company will register the capital increase with the Commercial Business Development Department, Ministry of Commerce.
- 5.2 The Company will apply for approvals from mai for listing of new ordinary shares on mai.
- 5.3 The Company will apply for approvals from mai for listing of warrant on mai, including the new share occur from the exercise of warrant.

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

The Company raise fund in order to support the business expansion in the construction contracting service of the communities water supply project, which operated by both the Company and Phol Water Company Limited (subsidiary company, 99.99% control by the company). Both companies currently doing many constructions contracting service of the communities' water supply projects and shall be more in the future. Detail as follows;

Offering	Fund Raise	Fund Usage	Contract signing period	Construction period
Rights Offering	Approximately 80 million Baht	communities water supply project	Q2, 2016 till Q4, 2016	Within 2017
Warrant (PHOL-W1)	Approximately 120 million Baht (If the warrant holder exercise all the PHOL-W1)	communities water supply project	Q4, 2016 till within 2017	Within 2018

Note: if any business operation related to communities water supply project of the Company and its subsidiaries that fall into condition of Acquisition and Disposition of Asset, according to from Notification of Capital Market Supervisory Board No. Tor Chor. 20/2551 Re: Rules on Entering in to Material Transactions Deemed as Acquisition or Disposal of Assets and Notification of the board of governors or the stock exchange of Thailand Re : Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004. The Company shall follow as specified.

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

To strengthen the capital structure and financial position of the Company. Company can also generate good income from the communities' water supply project from both the Company and its subsidiaries (Phol Water Company Limited).

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

The Company shall be able to generate profit from the new investment. The company has the policy to pay-out its dividends to shareholders no less than 40% of the net profit after tax and all the reserves, provided that the dividends pay-out must not affect the operation, stability, liquidity, expansion and any of the future needs which may arise by the company, as the Board of Directors deem appropriate. However, the said procedures must be in the best interest of the shareholders. The Board of directors will consider, revise and present this to the shareholders in the meeting for approval, unless in the case of interim dividend, where the Board of Directors have the power to authorize as long as the company has earned enough revenue to pay-out without affecting the operation of the company and report to the shareholders in the next meeting.

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

-None-

10. Schedule of action if the board of directors passes a resolution approving the capital increase or allotment of new shares:

No.	Procedures of the capital increase	Date/Month/Year
1	Board of Directors meeting to approved the issue and the allotment of new shares	20 July 2016
2	The Record date for the right to attend the meeting EGM No. 1/2016 (Record Date)	4 August 2016
3	The closing date of the share register for determining the right to attend the meeting EGM. No. 1/2016	5 August 2016
4	Extraordinary General Meeting No.1/2016	29 August 2016
5	The Record date for the right to subscribe newly issued ordinary share (Rights Offering) (Record Date)	6 September 2016
6	The closing date of the share register for right to subscribe newly issued ordinary share (Rights Offering)	7 September 2016
7	Subscription Period	26-30 September 2016
8	Registration of paid-up capital with the Ministry of Commerce	Within 14 days after the last day of subscription period

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

Sincerely Yours,



(Mr. Pornsak Chunjinda)

Managing Director

Authorized to sign on behalf of the Company