

Ref. E.S. No. 294/1999

August 19, 1999

To : President  
The Stock Exchange of Thailand

**Subject : The Adjustment of the Exercise Price and Exercise Ratio of TFB warrants certificates #1 (TFB-W)**

The Extraordinary Meeting of Shareholders No. 1/2542 of Thai Farmers Bank Public Company Limited, which was held on August 11, 1999 had resolved to increase TFB's registered capital from Baht 13,565,473,450 (Thirteen thousand five hundred and sixty-five million four hundred and seventy-three thousand four hundred and fifty Baht) to Baht 26,900,946,900 (Twenty-six thousand and nine hundred million nine hundred and forty-six thousand and nine hundred Baht) by an issue of 1,333,547,345 ordinary shares (One thousand three hundred and thirty-three million five hundred and forty-seven thousand three hundred and forty-five shares) with a par value of 10 Baht (Ten Baht) each and resolved to allocate 1,176,547,345 newly ordinary shares with a par value of 10 Baht for offering for sale to general public at the price of 20 Baht per share. The Board of Directors, the President, and any person entrusted by either of the former has the power to fix the details of the said allocation including allocation to the existing shareholders and the beneficial owners of the shares held by the custodian or by any other similar arrangements ("beneficial owners") prior to other subscribers.

This Extraordinary Meeting had resolved that August 25, 1999 would be the closing date of the shareholders register to determine the list of shareholders who are entitled to the subscription and the allocation of such newly issued ordinary shares. Accordingly, the first day the purchaser of ordinary shares on the Stock Exchange of Thailand is not entitled to the subscription and the allocation of such newly issued ordinary shares (the first day of posting a XR sign) will be on August 20, 1999.

The average offering price of those newly issued ordinary shares to the Bank's existing shareholders and/or to the public is approximately Baht 19.618 (calculated by the proceeds received from the offering less the selling expenses and divided by the number of newly issued ordinary shares). As the said offering price is lower than 90 per cent of the "market price of the Bank's ordinary shares" or 55.438 Baht. (the "market price of the Bank's ordinary shares" is derived by the weighted average price of the ordinary shares on the Stock Exchange of Thailand 5 consecutive days prior to the date fixed for calculation or the first day of posting XR sign, which is equal to 61.598 Baht), it may cause the holders of warrants certificates #1 to lose the right and benefit he should have. The Bank and Asset Plus Securities Company Limited, as the financial advisor then jointly consider to adjust of the Exercise Price and Exercise Ratio by pursuing the adjustment formulas as specified in the Offering Prospectus of Subordinated Debentures with Warrants by Thai Farmers Bank Public Company Limited prepared on August 20, 1994 section 2 no. 3.5.3 (Kor) as follows:

## 1. Adjustment of Exercise Price and Exercise Ratio

Under the conditions of warrants in section (Kor), when the Bank offers for sale ordinary shares to its existing shareholders and/or to the public and the average price per share of those newly issued ordinary shares is below 90 per cent. of the “market price of the Bank’s ordinary shares”, the adjustment of the Exercise Price and Exercise Ratio shall become effective immediately from the first day the purchaser of ordinary shares is not entitled to subscription of newly issued ordinary shares (the first day of posting a XR sign) in case of shares sold to existing shareholders, and/or from the first day of sale of newly issued ordinary shares to the public, as the case may be.

### 1.1 The Exercise Price will be adjusted according to the following formula:

$$\text{Price 1} = \text{Price 0} * \frac{[(A * \text{MP}) + \text{BX}]}{[\text{MP} * (A + B)]}$$

### 1.2 The Exercise Ratio will be adjusted according to the following formula:

$$\text{Ratio 1} = \text{Ratio 0} * \frac{[\text{MP} * (A + B)]}{[(A * \text{MP}) + \text{BX}]}$$

Whereas

Price1	means the new Exercise Price after adjustment
Price 0	means the existing exercise Price before adjustment
Ratio 1	means the new Exercise Ratio after adjustment
Ratio 0	means the existing Exercise Ratio before adjustment
MP	means the “market price of the Bank’s ordinary shares” which is equal to the weighted average price of the ordinary shares on the Stock Exchange of Thailand 5 consecutive days prior to the date fixed for calculation (the weighted average price is equal to the value of the total shares traded and divided by the number of shares traded) The date fixed for calculation is the first day the purchaser of ordinary shares is not entitled to subscription of newly issued shares in case the sale is to existing shareholders (the first day of posting XR sign) and/or the first day of sale of newly issued ordinary shares to the public, as the case may be.
A	means the number of fully paid-up ordinary shares on the day prior to the closing date of a register book for the right to subscribe newly issued ordinary shares in case of sale to existing shareholders and/or the date prior to the first day of sale of newly issued ordinary shares to the public, as the case may be.
B	means the number of newly issued ordinary shares for sale to existing shareholders and/or to the public
BX	means the proceeds received from the offering less the selling expenses for the sale of the newly issued ordinary shares both to existing shareholders and/or to the public.

## 2 The calculation of Exercise Price and Exercise Ratio

The Exercise Price and Exercise Ratio of TFB warrants certificates #1 after the sale of newly issued ordinary shares will be as followed:

### 2.1 The adjusted Exercise Price will be as follow:

$$\begin{aligned} \text{Price 1} &= 181.692 * \frac{[(1,176,000,000 * 61.598) + 23,080,946,900]}{[61.598 * (1,176,000,000 + 1,176,547,345)]} \\ &= 119.764 \text{ Baht per share} \end{aligned}$$

### 2.2 The adjusted Exercise Ratio will be as follow:

$$\begin{aligned} \text{Ratio 1} &= 1.0 * \frac{[61.598 * (1,176,000,000 + 1,176,547,345)]}{[(1,176,000,000 * 61.598) + 23,080,946,900]} \\ &= 1.51708 \text{ shares per 1 unit of warrant} \end{aligned}$$

## 3. The effective date of the adjusted Exercise Price and Exercise Ratio

The adjusted Exercise Price and Exercise Ratio of TFB warrants certificate #1 shall become effective immediately from August 20, 1999 onward.

Please be informed accordingly.

Yours sincerely,  
Thai Farmers Bank Public Company Limited

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