



Summary of Features of Warrants Representing the Right to Purchase Newly Issued Ordinary Shares of Sanko Diecasting (Thailand) Public Company Limited number 1 (SANKO-W1) to be allocated to the Company's existing shareholders

Issuer	:	Sanko Diecasting (Thailand) Public Company Limited (“the Company” or “SANKO”)
Type	:	Warrants to purchase the ordinary shares of Sanko Diecasting (Thailand) Public Company Limited Series 1, offered existing shareholders (“Warrants” or “SANKO-W1 ”)
Type of Warrants	:	Specified the name of the holder and transferable
Number of Warrants in Issuance and Offering	:	Not exceeding 99,698,321 units (ninety-nine million six hundred ninety-eight thousand three hundred twenty-one units)
Offering Price per unit	:	Baht 0.00 (zero Baht)
Allocation Method	:	Warrants shall be allocated to the existing shareholders of the Company (Rights Offering) at the ratio of 3 existing shares to 1 Warrant for free. In the case where there are any fractions of unit of Warrants from the calculation of the allocation, the fraction shall be rounded down. The Warrants remained from the allocation will be cancelled by the Company; therefore, the final outstanding balance of the allotted Warrants will be equal to the number of the Warrants duly allotted to the existing shareholders. In this regard, the names of shareholders entitled to receive the Warrant shall be determined on October 19, 2018 (Record Date).
Exercise Ratio	:	1 unit of the Warrant is entitled to purchase 1 ordinary share with the exception of the case of the adjustment of rights in accordance with the adjustment conditions.
Exercise Price	:	Baht 1 per share with the exception of the case of the adjustment of rights in accordance with the adjustment conditions.
Date of Issuance	:	October 31, 2018
Tenor	:	2 years from the date of Issuance and Offering of Warrants (From October 31,2018 to October 30, 2020)
Exercise Period	:	The Warrants holders will be able to exercise their rights 4 times, within two years form the date of issuance and offering the Warrants i.e. the first exercise date will be on April 29, 2019, the second exercise date will be on October 30, 2019, the third exercise date will be on April 29, 2020 and the last



exercise date will be on October 30, 2020 (In case of the last exercise date falls on the holiday of the Stock Exchange of Thailand, the exercise date will be shifted to the last business day prior to the original exercise date).

- Period for Notification of Intention to Exercise the Warrants** : Within 15 days prior to the last exercise date.
- Irrevocability of Notification of Intention to Exercise the Warrants** : The intention to exercise the Warrants may not be revoked after the Warrants holders notify their intentions to purchase the ordinary shares under the Warrants.
- Numbers of Ordinary Shares Allocated to Accommodate the Exercise of the Warrants** : 99,698,321 shares
- Secondary Market for the Warrants** : The Company will file an application to list the Warrants as listed securities on the mai Stock Exchange.
Remark : After the issuance of the Warrants, the Company will file an application to list such Warrants on the mai Stock Exchange. However, the Company cannot guarantee that the SET will approve the listing of the Warrants. If the SET disapproves the listing of the Warrants, investors will not be able to trade the Warrants on the mai Stock Exchange.
- Secondary Market for Ordinary Shares Derived from the Exercise of the Warrants** : The company shall list the ordinary shares that are derived from the exercise of the Warrants as listed securities on the mai Stock Exchange
- Impacts on Shareholders** : As the Warrants to purchase the ordinary shares of the Company will offer to existing shareholders in proportionate, the issuance of Warrants as of the issuance date, thus, has no impact on shareholder. However, in the case that all Warrants had been exercised by non-existing shareholders, impact on issuance Warrants to the existing shareholders will be as follows:
- Control Dilution**
In case that person entitled to purchase shares according to SANKO-W1, are not all existing shareholders. The impact on shareholders for control dilution is equal to 25.00% of shareholding ratio of existing shareholders of which calculated by the following formula:
Control Dilution =
$$\frac{\text{Newly Issued Shares}}{\text{Paid up Shares} + \text{Newly Issued Shares}}$$



$$= \frac{99,698,321 \text{ shares}}{(299,094,963 \text{ shares} + 99,698,321 \text{ shares})}$$
$$= \underline{25.00 \%}$$

2. Price Dilution

In the event that all 99,698,321 units of Warrants are fully exercised by existing shareholders, the price of the Company's shares will not be diluted since the exercise price of the Warrants at the par value of Baht 1 per share is not lower than the market price before offering ("market price") at Baht 1.20 per share, which is calculated from 15-day weighted average price prior to the resolution of the Meeting of the Board of Directors No.5/2018 on August 29, 2018 (From August 7, 2018 to August 28, 2018) (Data sourced from SET).

3. Earnings Per Share Dilution : EPS Dilution

In the event that all 99,698,321 units of Warrants are fully exercised, the EPS Dilution will be diluted equal to 25.00% by which the net profit in the formula based on the net profit from the last four quarters (From Quarter 2/2018 back to Quarter 2/2017) is equal to Million Baht 17.07.

The calculation details are as follow:

$$\text{Earnings Dilution} = \frac{\text{Earnings per share} - \text{Earnings per share after Issuance}^*}{\text{Earnings per share}}$$

Earnings per share

$$\text{Earnings per share after Issuance} = \frac{\text{Net Profit}}{\text{Paid-up Shares} + \text{Newly Issued Share}}$$

(Paid-up Shares + Newly Issued Share)

$$= \frac{\text{Baht } 17,070,000}{299,094,963 \text{ shares} + 99,698,321 \text{ shares}}$$

299,094,963 shares + 99,698,321 shares

$$= \text{Baht } 0.04$$

$$\text{Earnings per share before Issuance} = \frac{\text{Net Profit}}{\text{Paid-up Shares}}$$

(Paid-up Shares)

$$= \frac{\text{Baht } 17,070,000}{(299,094,963 \text{ shares})}$$

(299,094,963 shares)

$$= \text{Baht } 0.06$$



$$\begin{aligned} \text{Earnings Dilution} &= \frac{\text{Baht } 0.06 - \text{Baht } 0.04}{\text{Baht } 0.06} \\ &= \underline{25.00\%} \end{aligned}$$

Purposes of the issuance of New Shares to Accommodate Changes in Exercise of Rights and the Expected Benefits the Company would gain from the Capital Increase

1. To use for develop and modify manufacturing systems, Robotic system and manufacturing belt system.
 2. To use as working capital
- A tendency of the business expansion and future investment requires the company to seek external fund by issuing the warrant in order to enhance liquidity and working capital level of the Company, including strengthening the company's capital base in preparation to accommodate the further investment. The future investment scheme shall lead to higher revenue and net profit margin which result in a greater benefit for the Company and its shareholders.

Expected Benefits the Shareholders would gain from the Capital Increase

Warrant holders will be recognized as Company's Shareholders only if the Company has completely registered the change of Registered and Paid-up Capital to Department of Business Development, Ministry of Commerce, and the Shareholders will be entitled to receive the dividend from the company. However, the Company dividend payout ratio at not less than 40 percent of annual Net Income.

Rights adjustment conditions of Warrant

- : The Company shall have to proceed to adjust the exercise price and the exercise ratio, throughout the maturity period of the Warrant, in order to maintain the benefits of the Warrant holders as per the following occurrences:
- (a) When the Company changes the par value of the Company's ordinary shares as a result of a combine or split in value of shares.
 - (b) When the Company offers to sell newly issued ordinary shares to the existing shareholders and/or to general public and/or to specific individuals (private placement) at the average price per share of the newly issued ordinary shares less than 90 percent of "the market price of the ordinary shares of the Company".
 - (c) When the Company offers the existing shareholders and/or general public and/or private placement any newly



securities, which give rights to the holders of those securities to convert into ordinary shares, i.e. Convertible Debenture or Warrants. And the average price per share of newly issued ordinary shares to accommodate those rights is lower than 90 percent of “the trading market price of the Company’s ordinary shares”.

- (d) When the Company sets aside all or in part of dividend payment for new ordinary shares to the shareholders.
- (e) When the Company makes cash dividend payment in exceeding 80 percent of Company’s income after tax in any financial years (separate financial statement) during the maturity period of these Warrants.
- (f) In any other circumstances that result in the Warrant holders or the holders of Certificate of Warrant to loss their rights and benefits, that are not described in (a) to (e).

Remark : The exercise price will not be adjusted down, the exercise price is lower than the reduced par value per share.

Others

- : The Company's Board of Directors and/or the persons authorized by the Company's Board of Directors are empowered
1. To determine and rectify any other necessary and appropriate conditions and details in connection with the warrant issuance, such as details of the offering etc.
 2. To execute application, necessary supporting documents and evidence relevant to the issuance of the Warrant, including to contact and to file such application forms, documents and evidence to the authorities or government agencies concerning the warrant issuance the listing of the Warrant on the mai Stock Exchange. And
 3. To take any other actions which are deemed necessary and appropriate for the issuance and allocation of the Warrant for example considering to appoint the Thailand Securities Depository Co., Ltd. is the Registrar of the Company.