



# Invite to the Extraordinary General Meeting of Shareholders No.1/2018

SANKO DIECASTING (THAILAND) PUBLIC COMPANY LIMITED

October 10, 2018, Wednesday at 13.30 p.m.

At the meeting room of Sanko Diecasting (Thailand) Public Company Limited. Rojana Industrial Park Rayong, 3/14 Moo 2, Nongbua, Bankhai Distric, Rayong 21120





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Further information, please inform us through Company Secretary Office, Tel: 02-612-2311 Fax: 02-612-2311



No. SANKO E/01/2018

August 29, 2018

Subject : Invitation for the Extraordinary General Meeting of Shareholders No.1/2018

Attention : Shareholders

Sanko Diecasting (Thailand) Public Company Limited

- Enclosures
1. Minutes of the 2018 Annual General Meeting of Shareholders
  2. Summary of the Features of Warrants Representing the Right to Purchase Newly Issued Ordinary Shares of Sanko Diecasting (Thailand) Public Company Limited Series 1 (SANKO-W1) to be allocated to the Company's existing shareholders
  3. Capital Increase Form (F53-4)
  4. Barcode Registration Form
  5. Proxy Form A, Form B and Form C
  6. Profiles of Independent Directors for Appointment as Proxy
  7. Guidelines for Attending the Meeting, Appointment the Proxy, Registration, Vote Casting and Counting, and Meeting Procedures
  8. Articles of the Company concerning the Shareholders' Meeting
  9. Map of the Meeting Venue

As the Board of Directors' Meeting No.5/2018 of Sanko Diecasting (Thailand) Public Company Limited (the "Company") had resolved to convene the Extraordinary General Meeting of Shareholders No.1/2018 on Wednesday, October 10, 2018, at 1:30 p.m at the Company's conference room located at No. 3/14 Moo 2, Nongbua Sub-District, Bankai District, Rayong 21120 to consider the following Agendas:

**Agenda 1 To approve the Minutes of the Annual General Meeting of Shareholders for the year 2018 held on April 27, 2018**

**Facts and rationales:** The Annual General Meeting of Shareholders for the Year 2018 was held on April 27, 2018 and the Company already sent the Minutes to the Stock Exchange of Thailand as well as the Ministry of Commerce within 14 days from the Meeting Date, as required by law. In addition, the Company also published the Minutes on the Company's website ([www.sankothai.net](http://www.sankothai.net)) and found neither objection nor amendment request. Details of the Minutes was as attached to this Invitation as **Enclosure no. 1**.

**Board of Directors' opinion:** The Board of Directors considered and is of the opinion that the Minutes of the Annual General Meeting of Shareholders for the Year 2018 were true, duly and completely recorded. The Board of Directors, therefore, deemed it appropriate to propose such minutes to the shareholders' meeting for approval.

**Voting:** This Agenda shall be passed by the majority votes of the shareholders attending and are entitled to vote. (Excluding the abstention)



Agenda 2 To consider and approve the elimination of retained deficit of the Company by offsetting with the legal reserve and the premium on shares

**Facts and rationales:** At the end of the year 2017, the Company's legal reserve was at Baht 390,000, the premium on share was at Baht 33,612,986 and the retained deficit was at Baht 17,898,913 of which after being offset, the Company's premium on share will be at Baht 16,104,073. Such elimination of retained deficit of the Company will benefit the shareholders from the sooner dividend payment declaration since the sooner the Company has enough net profit and cash flow, the sooner the shareholders will receive the dividend regardless of the Company's performance. In addition, such elimination of retained deficit shall not affect the Company's financial position.

**Board of Directors' opinion:** The Board of Directors deemed it appropriate that the shareholders' meeting shall consider and approve the transfer of legal reserve of Baht 390,000 and the premium on share of Baht 33,612,986 for the elimination of retained deficit of Baht 17,889,913. Consequently, after the elimination of the retained deficit, the premium on share of the Company would be at Baht 16,104,073. In addition, the Company's total shareholders' equity after the elimination of the retained deficit shall be as follows:

Unit: Thousand Baht

Shareholders' Equity	As of December 31, 2017	
	Prior to the elimination of the retained deficit	After the elimination of the retained deficit
Retained Loss	(17,899)	-
Legal Reserve	390	-
Premium on share	33,613	16,104
Issued and paid-up share	149,547	149,547
<b>Total Shareholders' Equity</b>	<b>165,651</b>	<b>165,651</b>

After the reduction of compensation to eliminate the retained deficit from the legal reserve and the premium on share of the Company, the Company, as of December 31, 2017, was able to stop the loss. Consequently, the Company's performance for the six months period ended June 30, 2018, has the net profit for Baht 12,796,799 of which will be recognized and reflect in 3<sup>rd</sup> quarter of the 2018 Company's financial statements onwards.

**Voting:** This Agenda shall be passed by not less than three-fourths (3/4) of the total votes of the shareholders who attend the Meeting and are eligible to vote.

Agenda 3 To consider and approve the issuance and offering of the Warrants to purchase the ordinary shares of the Company Series 1 (SANKO-W1) in the amount of not exceeding 99,698,321 units and delegate the power to persons designated (In the event that this agenda has been approved, the Meeting's required to consider the Agenda no.4-8 as they were related to one another)



**Facts and rationales:** The Company has summarized the Features of Warrants Representing the Right to Purchase Newly Issued Ordinary Shares of Sanko Diecasting (Thailand) Public Company Limited Series 1 (SANKO-W1) to be allocated to the Company's existing shareholders together with this Invitation as **Enclosure no. 2**.

**Board of Directors' opinion:** The Board of Directors is of opinion that the issuance of SANKO-W1 will benefit the shareholders and the Company, therefore, the Board of Directors deemed it appropriate that the extraordinary general meeting of shareholders No.1/2018 shall consider and approve the issuance and offering of Warrants to purchase the ordinary shares of the Company Series 1 (SANKO-W1) in the amount of not exceeding 99,698,321 units to the existing shareholders (Rights Offering) at the ratio of 3 existing ordinary shares per 1 unit of Warrant without consideration. Details of Warrants to purchase the ordinary shares of the Company Series 1 (SANKO-W1) as attached to this Invitation as **Enclosure no. 2**.

Nonetheless, the issuance and offering of Warrants to purchase the ordinary shares of the Company Series 1 (SANKO-W1) is uncertain and depends on the approval of the Extraordinary General Meeting of Shareholders No.1/2018.

In the event that the Meeting resolved to approve the issuance and offering of Warrants to purchase the ordinary shares of the Company Series 1 (SANKO-W1), the Board of Directors deems it appropriate to fix the date, which the shareholders will be entitled to have the rights for allotment of warrants to purchase the ordinary shares of the Company (SANKO-W1) to be on October 19, 2018 (Record Date).

Furthermore, the Meeting should also resolve to delegate the power to the Board of Directors and/or the authorized directors and/or the persons designated by either the Board of Directors or the authorized directors to process as follows:

1. To determine and amend any conditions and relevant details which deems necessary and appropriate for the issuance of Warrants e.g. details of the offering of Warrants, etc.;
2. To deal with government authorities and relevant authorities and list the Warrants on MAI as well as to sign the documents, application forms for permission, including applications and necessary evidences relevant to such issuance and offering the SANKO-W1; and
3. To undertake any necessary and appropriate for Warrants issuance and relevant matters e.g. to appoint Thailand Securities Depository Company Limited (for Depositors) or TSD to act as the Company's registrar, etc.

**Voting:** This Agenda shall be passed by not less than three-fourths (3/4) of the total votes of the shareholders who attend the Meeting and are eligible to vote.

**Agenda 4** To consider and approve the decreasing of the capital registration amount Baht 793,331 from the capital registration Baht 150,340,812.50 to be Baht 149,547,481.50 by cancellation of 1,586,662 unallocated shares remained from ordinary shares reserved for the adjustment of rights under the ESOP warrant to



purchase the ordinary shares of the Company at the par value of Baht 0.50 (In the event that this agenda has been approved, the Meeting's required to consider the Agenda no.5-8 as they were related to one another)

**Facts and rationales:** In compliance with Section 136 of the Public Company Limited Act B.E. 2535 (1992) (as amended), the Company may increase the amount of its capital registration once all shares have been sold and paid up, or, if the shares still remain unsold, the unsold shares shall be the shares issued for the exercise of rights under convertible debentures or shares warrant.

**Board of Directors' opinion:** The Board of Directors deemed it appropriate that the shareholders' meeting shall approve the decreasing of the capital registration amount Baht 793,331 from the capital registration Baht 150,340,812.50 to be Baht 149,547,481.50 by cancellation of 1,586,662 unallocated shares remained from ordinary shares reserved for the adjustment of rights under the ESOP warrant to purchase the ordinary shares of the Company at the par value of Baht 0.50.

**Voting:** This Agenda shall be passed by not less than three-fourths (3/4) of the total votes of the shareholders who attend the Meeting and are eligible to vote.

**Agenda 5 To consider and approve an amendment Clause 4 of the Memorandum of Association, to be in line with the Capital Decrease (In the event that this agenda has been approved, the Meeting's required to consider the Agenda no.6-8 as they were related to one another)**

**Facts and rationales:** In compliance with the Public Company Limited Act, B.E. 2535 (1992) (as amended), which prescribe that the Company has to amend of Clause 4 of Memorandum of Association of the Company to be in line with the decrease in capital registration that is approved by shareholders.

**Board of Directors' opinion:** The Board of Directors deemed appropriate to propose the Meeting to consider and approve an amendment of Clause 4 of the Company's Memorandum of Association as follows:

Clause 4.	Registered capital	149,547,481.50	Baht	(One hundred forty-nine million five hundred forty-seven thousand four hundred eighty-one point five zero)
	Divided into	299,094,963	Shares	(Two hundred ninety-nine million ninety-four thousand nine hundred sixty-three)
	Par value per share	0.50	Baht	(Fifty satang)
	Classified as			
	Ordinary shares	299,094,963	Shares	(Two hundred ninety-nine million ninety-four thousand nine hundred sixty-three)
	Preferred shares	-	Shares	(-None -)

By assigning the authorized person to process the amendment of the Company's Memorandum of Association with the Department of Business Development, Ministry of Commerce and to be authorized to amend or add wordings in compliance with the registrar's directions.



**Voting:** This Agenda shall be passed by not less than three-fourths (3/4) of the total votes of the shareholders who attend the Meeting and are eligible to vote.

**Agenda 6** To consider and approve the increase of the Company's capital registration in the amount of Baht 49,849,160.50 from the current capital registration of Baht 149,547,481.50 to Baht 199,396,642 by issuing of 99,698,321 new ordinary shares at the par value of Baht 0.50 (In the event that this agenda has been approved, the Meeting's required to consider the Agenda no.7-8 as they were related to one another)

**Facts and rationales:** In compliance with Section 136 of the Public Company Limited Act B.E. 2535 (1992) (as amended), the Company may increase its registered capital by issuing new shares. As to reserve for the convertible warrants of the Company to purchase the ordinary shares of the Company Series 1 (SANKO-W1) in the amount of 99,698,321 units/shares, the Company, thus, required to increase its capital registration.

**Board of Directors' opinion:** The Board of Directors deemed it appropriate that the shareholders' meeting shall approve the increase of the Company's capital registration for the amount of Baht 49,849,160.50 from the capital registration of Baht 149,547,481.50 to Baht 199,396,642 by issuing new ordinary shares of 99,698,321 shares with a par value of Baht 0.50 as to reserve for the convertible warrants of the Company to purchase the ordinary shares of the Company Series 1 (SANKO-W1) for the amount of 99,698,321 units/shares (at the exercise ratio of 1 unit of warrant per 1 ordinary shares). Details of which appear in **Enclosure no. 3**.

**Voting:** This Agenda shall be passed by not less than three-fourths (3/4) of the total votes of the shareholders who attend the Meeting and are eligible to vote.

**Agenda 7** To consider and approve to amend Clause 4 of the Memorandum of Association, to be in line with the Capital Increase (In the event that this agenda has been approved, the Meeting's required to consider the Agenda no.8 as they were related to one another)

**Facts and rationales:** In regard to the approval of the increase of capital registration of the Company, the Company, therefore, has to amend of Clause 4 of Memorandum of Association of the Company to be in line with the increase in capital registration that is approved by shareholders.

**Board of Directors' opinion:** The Board of Directors deemed appropriate to propose the Meeting to consider and approve an amendment of Clause 4 of the Company's Memorandum of Association as follows:

Clause 4.	Registered capital	199,396,642	Baht	(One hundred ninety-nine million three hundred ninety-six thousand six hundred forty-two only)
	Divided into	398,793,284	Shares	(Three hundred ninety-eight million seven hundred ninety-three thousand two hundred eighty-four)
	Par value per share	0.50	Baht	(Fifty satang)
	Classified as			
	Ordinary shares	398,793,284	Shares	(Three hundred ninety-eight million seven hundred ninety-three thousand two hundred eighty-four)
	Preferred shares	-	Shares	(-None -)



By assigning the authorized person to process the amendment of the Company's Memorandum of Association with the Department of Business Development, Ministry of Commerce and to be authorized to amend or add wordings in compliance with the registrar's directions.

**Voting:** This Agenda shall be passed by not less than three-fourths (3/4) of the total votes of the shareholders who attend the Meeting and are eligible to vote.

**Agenda 8 To consider and approve the allotment of new issued ordinary shares for the exercise of the Warrants to purchase the ordinary shares of the Company Series1 (SANKO-W1)**

**Facts and rationales:** To be in line with the increase of the Company's registration and the issuance and allotment of the Warrants to purchase the ordinary shares of the Company Series 1 (SANKO-W1) specified in Agenda no. 3, 6, and 7.

**Board of Directors' opinion:** The Board of Directors deemed it appropriate to approve the allotment of the 99,698,321 newly issued ordinary shares at the par value of Baht 0.50 as to reserve for the exercise of the Warrants to purchase the ordinary shares of the Company Series 1 (SANKO-W1) for the amount of not exceeding 99,698,321 units/shares.

**Voting:** This Agenda shall be passed by the majority votes of the shareholders attending the meeting and are entitled to vote (Excluding the abstention).

**Agenda 9 To consider any other matters (if any)**

In case of shareholders whose shares amounted to the number required by law would like to propose other agenda(s) to be considered in the Extraordinary General Meeting of Shareholders No.1/2018, please kindly inform the Board of Directors before the Meeting Date as specified in the conditions to propose meeting agenda(s) to the Shareholders' Meeting

Whereby the Date, which the shareholders shall have the right to attend the Extraordinary General Meeting of Shareholders No.1/2018 will be on September 12, 2018 (Record Date).

Please be informed and attend the Meeting on the date, time and at the place mentioned earlier. Any shareholders who wish to appoint other person to serve as a proxy to attend the Meeting and cast vote in this Meeting on your behalf, please fill in and sign the Proxy which has been delivered to the shareholders together with this Invitation as **Enclosure no. 5**

Proxy Form

(a) Type of Proxy Form

The registrar of the public company limited divide the proxy form into 3 types as follows:

1. Proxy Form A is available as a generic proxy.
2. Proxy Form B, statement of proxy must be clearly and thoroughly provided.
3. Proxy Form C, in case the shareholder is a foreign investor and wish to appoint the custodian in Thailand to be his/her security depository.





(b) How to use the proxy form

1. In case the shareholder is a Thai nationality and appoint a custodian in Thailand to be a security depository, such shareholder is entitled to use either proxy Form A or B;
2. In case the shareholder is a foreign investor and appoint a custodian in Thailand to be a security depository, such shareholder is entitled to use a proxy Form A, B, or C.

For the convenience of the shareholders and proxies, registration will begin at 12:00 p.m. onwards at the Meeting Room of Sanko Diecasting (Thailand) Public Company Limited. In addition, to support the shareholders' participation and exercise of the voting right and to facilitate the shareholders/proxies who would like to do so, the Company, therefore, willing to inform the shareholders that the shuttle bus service to the meeting venue will be provided at the Stock Exchange of Thailand Building (Next to the Embassy of China) from 8:30 a.m. to 9:00 a.m., please kindly reserve your seats through phone number: 0-2612-2311

Please be informed accordingly.

Yours sincerely,

A handwritten signature in blue ink, appearing to be "Masami Katsumoto".

Mr. Masami Katsumoto

Chairman of the Board of Directors