



บริษัท อ-apiโก ไฮเทค จำกัด (มหาชน)

AAPICO HITECH PUBLIC COMPANY LIMITED

May 25, 2017

**Subject:** Notification on the Acquisition of Assets of AAPICO Hitech Public Company Limited

**To:** The President  
The Stock Exchange of Thailand

**Enclosure:** Information Memorandum Concerning the Acquisition and Disposal of Assets of AAPICO Hitech Public Company Limited (Schedule 1)

AAPICO Hitech Public Company Limited (“**the Company**”) hereby informed that the Board of Directors’ Meeting No. 90/2017, held on Monday, May 22, 2017 had passed the following material resolutions.

1. Approved the Company and/or its subsidiary entering into the transaction to invest in Sakthi Global Auto Holdings Limited in United Kingdom and/or its subsidiaries in the Republic of India, Portugal, the United States of America, and the People’s Republic of China (collectively referred to as the “**SGAH Group**”), in order to forge a strategic partnership to grow their business and utilize both companies’ strengths in the global market. Total investment is at the amount of up to USD 100 million or equivalent to approximately Baht 3,522 million. This transactions is regarded as Type 2 acquisition of assets according to the Notification of the Capital Market Supervisory Board No. Tor Jor 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets B.E.2547 dated 29 October 2004. Therefore, the Company is required to disclose information regarding the acquisition of assets by the Company to the Stock Exchange of Thailand and serve a written notice to shareholders within 21 days from the date of disclosure of information to the SET. Details of Information Memorandum (Schedule 1) are set out in the *Appendix 1*.
2. Approved the Company entering into credit facilities agreement with TMB Bank Public Company Limited and Bangkok Bank Public Company Limited, each for an amount of US\$37.5 million (or equivalent to Baht 1,350 million) with maturity of 5 years.
3. Acknowledged that AAPICO Investment Pte. Ltd., a 100% subsidiary of AAPICO Hitech Public Company Limited in Singapore, had sold its shares in Jackspeed Corporation Limited, a listed company in the Singapore Stock Exchange Securities Trading Limited to Mr. Yip Tai Him at value of SGD 4,315,079.11 or equivalent to Baht 106 million. After disposal, the Company will no longer has interest in Jackspeed Corporation Limited, which will allow the Company to focus on its core businesses. In this regard, Mr. Yip Tai Him is not the connected person of the Company.

Please be informed accordingly.

Yours sincerely,

.....  
Mr. Yeap Swee Chuan  
President & CEO

**Information Memorandum Concerning the Acquisition and Disposal of Assets of Aapico Hitech Public Company Limited (Schedule 1)**

The Board of Directors' Meeting of Aapico Hitech Public Company Limited (the "**Company**") No. 90/2017, held on 22 May 2017 resolved to approve the Company's investment in Sakthi Global Auto Holdings Limited ("**SGAH**") at the amount of up to USD 100.00 million or equivalent to approximately Baht 3,522.00 million. Prior to the completion of the Company's investment, SGAH is required to complete an internal group restructuring. After such restructuring, SGAH Group will be comprised of automotive part manufacturers in the Republic of India, Portugal, the United States of America, and the People's Republic of China (the "**SGAH Group**"). The total investment of USD 100.00 million consists of (1) newly issued ordinary shares in SGAH in the amount of 2,510 shares at the par value of USD 1, representing 25.10% of all registered and paid-up shares of SGAH at the total value of USD 50.00 million or equivalent to approximately Baht 1,761.00 million and (2) grant of a synthetic convertible loan by the Company to SGAH at the amount of USD 50.00 million or equivalent to approximately Baht 1,761.00 million ((1) and (2) collectively referred to as the "**Transaction**").

The Transaction is regarded as acquisition of assets according to Notification of the Capital Market Supervisory Board No. Tor Jor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets B.E. 2547, dated 29 October 2004 (collectively, the "**Asset Acquisition and Disposal Rules**"). The Transaction is considered Type 2 transaction pursuant to the Asset Acquisition and Disposal Rules. Therefore, the Company is required to disclose information regarding the acquisition of assets by the Company to the Stock Exchange of Thailand ("**SET**") and serve a written notice to shareholders within 21 days from the date of disclosure of information to the SET. The material details of the Transaction are summarized below.

**1. Date of the Transaction**

After the Board of Directors' Meeting of the Company No. 90/2017 held on 22 May 2017 resolved to approve the Transaction, the Company will execute a Share Subscription Agreement with conditions precedent and Loan Agreement with conditions precedent in respect of the Transaction (collectively, the "**Agreements**") with SGAH. The Company expects to complete the investment in SGAH within the second quarter of 2017 after all conditions precedent specified in the relevant Agreements are fulfilled or waived and in accordance with the terms and conditions of such Agreements.

**2. Involved Parties**

**Investor**

Aapico Hitech Public Company Limited, which is the company incorporated under Thai laws and publicly listed on the SET under the ticker, "AH", and/or its subsidiaries.

**Target company**

Sakthi Global Auto Holdings Limited ("**SGAH**")

**Relationship between the investor and the target company:**

SGAH is not considered a connected person of the Company under Notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 Re: Rules on Connected Transactions dated 31

August 2008 and Notification of the Board of Governors of the Stock Exchange of Thailand and Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 dated 19 November 2003 (the “**Connected Transactions Rules**”).

### **3. General Characteristics, Class, and Size of the Transaction**

#### 3.1 General Characteristics of the Transaction

The Company will invest in 25.10% of all registered and paid-up shares of SGAH at the total value of USD 50.00 million or equivalent to approximately Baht 1,761.00 million. 25.10% of the equity value in SGAH that the Company will invest has a price range between USD 50.00 million and USD 100.00 million, or equivalent to between approximately Baht 1,761.00 and Baht 3,522.00. Because the price range is conditional upon SGAH’s future financial performance in the next 2 years, the Company, therefore, agreed to the investment structure that reflects such performance, which consists of:

- (1) newly issued ordinary shares in SGAH in the amount of 2,510 shares, at the par value of USD 1, representing 25.10% of all registered and paid-up shares of SGAH, at the total value of USD 50.00 million or equivalent to approximately Baht 1,761.00 million; and
- (2) grant of a synthetic convertible loan by the Company at the amount of USD 50.00 million or equivalent to approximately Baht 1,761.00 million with the interest rate of 20.00% per annum

The objective of this investment structure is that the conversion of such synthetic convertible loan is considered as part of the purchase price of the 25.10% ordinary shares which are expected to be transferred to the Company within the second quarter of 2017, when all the conditions precedent specified in the Agreements have been satisfied or waived. The conversion of the loan is subject to the equity value of SGAH calculated from SGAH’s future financial performance. The synthetic convertible loan has been conditioned to be converted into 1 ordinary share (equivalent to 0.01% of all registered and paid-up shares of SGAH) as at 31 March 2020. Such ordinary share will not bear any special rights and is merely a consideration used to void the synthetic convertible loan for SGAH if the profit condition is met in the next 2 years. After the conversion, the Company's shareholding percentage in SGAH will be at 25.11%.

Nevertheless, in order to satisfy the Accounting Standards and maximize tax efficiency, the synthetic convertible loan structure consists of

- (1) grant of a loan at the amount of USD 50 million or equivalent to approximately Baht 1,761.00 million, which shall be due and payable in full on 31 March 2020; and
- (2) a reinvestment agreement for 1 ordinary share of SGAH between the Company and shareholders of the remaining 74.90% of SGAH on 31 March 2020

The reinvestment is based on the following principle, formula, and conditions.

#### Reinvestment Principle and Formula

The reinvestment principle is based on the equity value of SGAH, calculated from the enterprise value of SGAH. The enterprise value is derived from the ratio of enterprise value to earnings before interest, taxes, depreciation, and amortization for the fiscal years ended 31 December 2018 and 2019 (Enterprise value/EBITDA) at 6.448.

The equity value of SGAH is derived from the enterprise value of SGAH deducting financial obligations that, by nature of loan agreements and/or shareholding structure of SGAH Group, are entitled to be paid before shareholders of SGAH, adding cash and cash equivalents.

The reinvestment formula based on the aforementioned principle is as follows:

- (i) 100.00% Equity value of SGAH = (Average earnings before interest, taxes, depreciation, and amortization in 2018 and 2019 of SGAH x 6.448) - Financial obligations that, by nature and/or shareholding structure of SGAH Group, are entitled to be paid before shareholders of SGAH + Cash and cash equivalents.
- (ii) 25.10% Equity value of SGAH = 100.00% Equity value of SGAH x 25.10%.

**Reinvestment Conditions**

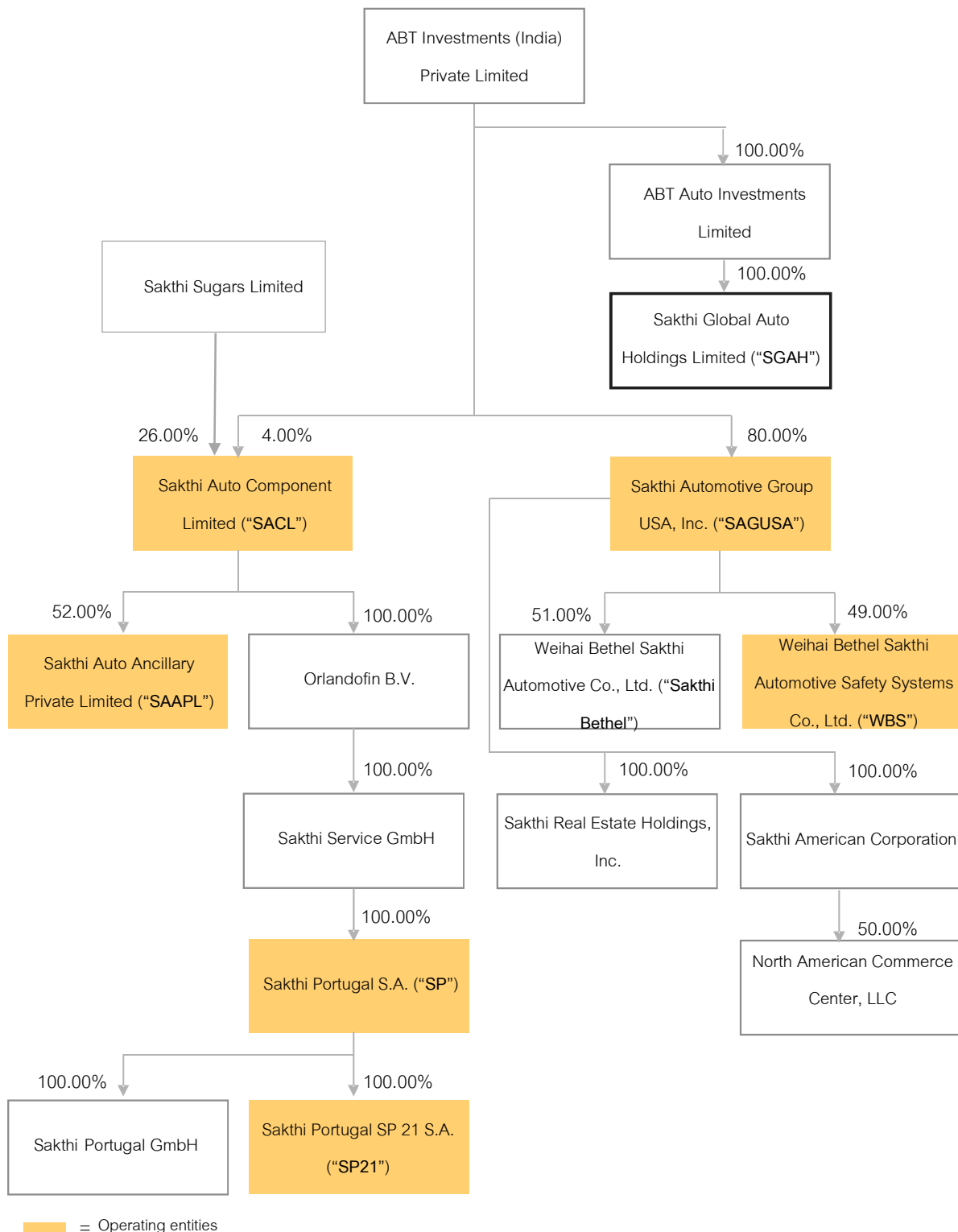
The following reinvestment conditions apply, as applicable:

- (1) If 25.10% of the equity value of SGAH exceeds or equals USD 100.00 million, the Company will reinvest the amount of USD 50.00 million, in exchange for 1 ordinary share in SGAH;
- (2) If 25.10% of the equity value of SGAH is between USD 50.00 million and USD 100.00 million, the Company will reinvest the amount in excess of USD 50.00 million of 25.10% of SGAH's equity value, in exchange for 1 ordinary share in SGAH; or
- (3) If 25.10% of the equity value of SGAH is less than USD 50.00 million, there will be no reinvestment.

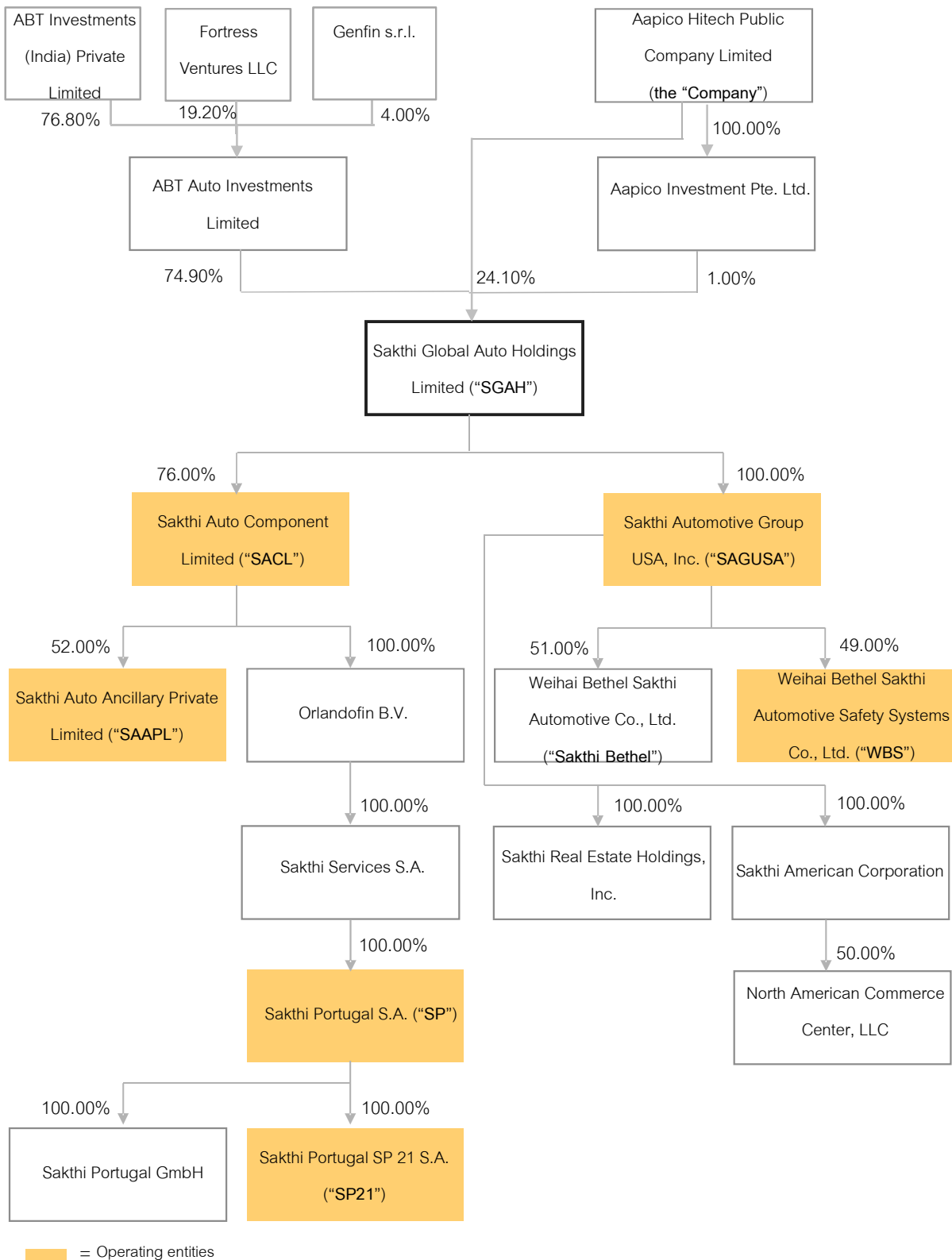
In summary, considering the total amount in exchange for 25.10% in SGAH, the repayment according to the Loan Agreement and the payment for the arrangement to reinvest in 1 ordinary share are as follows:

- If 25.10% of the equity value of SGAH is at least USD 100.00 million, the Company will, in effect, purchase 25.10% of SGAH's equity at the amount of USD 100.00 million.
- If 25.10% of the equity value of SGAH is between USD 50.00 million and USD 100.00 million, the Company will, in effect, purchase 25.10% of SGAH's equity at the amount equivalent to 25.10% of SGAH's equity value.
- If 25.10% of the equity value of SGAH is less than or equal to USD 50.00 million, the Company will purchase 25.10% of SGAH's equity at the amount of USD 50.00 million.

**Shareholding Structure of SGAH Group before the Transaction**



**Shareholding Structure of SGAH Group after the Transaction**



3.2 Class and Size of the Transaction

The Transaction is regarded as acquisition of assets pursuant to the Asset Acquisition and Disposal Rules, in which the size of the Transaction is calculated to be at the highest of 32.38% pursuant to the Comparison of Consideration Paid criteria. (calculated from the reviewed consolidated financial statements of the Company as of 31 March 2017).

Details of the calculation are summarized below.

**Evaluation Criteria**

**1. Comparison of Net Tangible Assets**

Net tangible assets of SGAH x Acquired proportion	=	Baht 5,502.34 million x 25.10%
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Net tangible assets of the Company (According to the reviewed consolidated financial statements of the Company as of 31 March 2017)		Baht 5,863.37 million
	=	<b>23.55%</b>

**2. Comparison of Net Profit**

Net profit of SGAH x Acquired proportion	=	Baht 470.03 million x 25.10%
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Net profit of the Company (According to the reviewed consolidated financial statements of the Company as of 31 March 2017)		Baht 641.33 million
	=	<b>18.40%</b>

**3. Comparison of the Consideration Paid**

Total consideration paid	=	Baht 3,583.50 million
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Total assets of the Company (According to the reviewed consolidated financial statements of the Company as of 31 March 2017)		Baht 11,395.54 million
	=	<b>31.45%</b>

**4. Value of Securities Issued as Consideration**

This criteria does not apply as the Company will not issue securities for the payment in relation to the Transaction.

Value of transactions during 6 months prior to the Transaction pursuant to the Comparison of Consideration Paid criteria	Size of transaction
Disposal of 14.95% equity in Jackspeed Corporation Limited	0.93%

When the size of the transaction within the past 6 months prior to the date of the Transaction, which is calculated to be 0.93% using Comparison of Consideration Paid criteria, is included, the highest transaction size is equivalent to 32.38% pursuant to the Comparison of Consideration Paid criteria. The Transaction is regarded as Type 2 Transaction according to the Asset Acquisition and Disposal Rules. Therefore, the Company is required to disclose information regarding the acquisition of assets by the Company to the SET and serve a written notice to shareholders within 21 days from the date of disclosure of information to the SET.

#### 4. Details of Assets Acquired

##### 4.1 Acquired Assets

The Company will invest the amount of USD 100.00 million or equivalent to approximately Baht 3,522.00 million in SGAH. The investment consists of (1) newly issued ordinary shares in the amount of 2,510 shares at the par value of USD 1, representing 25.10% of all registered and paid-up shares of SGAH at the total value of USD 50.00 million or equivalent to approximately Baht 1,761.00 million, and (2) grant of a synthetic convertible loan by the Company to SGAH at the amount of USD 50.00 million or equivalent to approximately Baht 1,761.00 million.

##### 4.2 General information of SGAH

SGAH was incorporated as a holding company for the purpose of investing in the shares of Sakthi Auto Component Limited (“SACL”) and Sakthi Automotive Group USA, Inc. (“SAGUSA”). After restructuring, SGAH Group will consist of manufacturers of automotive components such as steering knuckles, brake discs, brake drums, brake drums, brake caliper, axel arms, and brackets for original equipment manufacturers (“OEM”) such as General Motors, Continental AG, Maruti Suzuki India Limited, Iljin Automotive Private Limited, and Ford.

<b>Name</b>	Sakthi Global Auto Holdings Limited (“SGAH”)	
<b>Date of Registration</b>	10 April 2017	
<b>Head Office’s Location</b>	Suite 1, 3rd Floor, Acorn House, Great Oaks, Basildon, England, SS14 1AH, the United Kingdom	
<b>Capital Structure</b>	Registered Capital : Unlimited (there is no registered capital) Paid-up Capital : GBP 1 (one paid up share)	
<b>Type of Business</b>	Holding company	
<b>Board of Directors</b>	1. Mr. Manickam Mahalingam 2. Mr. Lalit Kumar	
<b>Shareholders</b>	<u>Name</u>	<u>Number of Shares Held</u>
	ABT Auto Investments Limited	1

**Note:** SGAH Group, the Board of Directors, and Shareholders are not considered related persons pursuant to the Connected Transactions Rules



### 4.3 Overview of Business Operation

SGAH Group carries out its automotive parts manufacturing business in the Republic of India, Portugal, the United States of America, and the People's Republic of China. The group structure contains both key operating companies, and holding companies or companies that do not currently materially engage in business, with details as summarized below.

#### 4.3.1 Key Operating Companies

##### 4.3.1.1 Sakthi Auto Component Limited (“SACL”)

<b>Name</b>	Sakthi Auto Component Limited (“SACL”)	
<b>Business Characteristics</b>	SACL, located in Tamil Nadu, India, engages in the manufacturing and selling of steering knuckles, brake discs, and brake drums to OEM. SACL has a capacity of 60,000 tons per year.	
<b>Date of Registration</b>	19 February 1999	
<b>Head Office’s Location</b>	180, Race Course Road, Coimbatore, Tamil Nadu- 641018, India	
<b>Capital Structure</b>	Registered Capital: SACL has a registered capital of INR 2,463.10 million, divided into 246,310,000 ordinary shares with a par value of INR 10 per share.  Paid-up capital: INR 2,463.10 million	
<b>Board of Directors</b>	<ol style="list-style-type: none"> <li>1. Shanmugasundaram Chandrasekhar</li> <li>2. Sankara Venkitasubra Mony</li> <li>3. Rangachary Nambi Iyengar</li> <li>4. Rangamani</li> <li>5. Mahalingam Manickam</li> <li>6. Srinivaasan Mahalingam</li> <li>7. Balasubramaniam Mahalingam</li> <li>8. Manickam Hari Hara Sudhan</li> <li>9. Ramaswamy Venkataramanan</li> <li>10. Manickam Radha Akilandeshwari</li> </ol>	
<b>Shareholders</b>	<u>Name</u>	<u>Number of Shares Held</u>
	1. M Manickam*	101
	2. M Balasubramaniam*	101
	3. S Chandrasekhar*	101
	4. N Mahalingam*	101
	5. T Rajkumar*	101
	6. P Srinivasan*	101

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	7. Sakthi Sugars Limited	63,859,394
	8. Castle Aluminium (Mauritius) Ltd.	172,310,240
	9. ABT Investments (India) Private Limited	7,757,080
	10. ABT Limited	2,382,680

\*held for the benefit of Sakthi Sugars Limited

#### Summary of SACL's financial position and performance

	Consolidated financial statements (Unit: Lakhs or INR one hundred thousand)		Consolidated financial statements (Unit: Baht million)	
	31 Mar 17	31 Mar 16	31 Mar 17	31 Mar 16
Total assets	237,648	236,495	12,586	12,534
Total liabilities	139,935	137,411	7,411	7,283
Total shareholders' equities	97,713	99,085	5,175	5,251
Total revenues	142,800	148,112	7,485	7,920
Net Profit (Loss)	3,810	4,592	200	246

Note: The consolidated financial statements were audited by certified public accountants.

#### 4.3.1.2 Sakthi Auto Ancillary Private Limited ("SAAPL")

<b>Name</b>	Sakthi Auto Ancillary Private Limited ("SAAPL")
<b>Business Characteristics</b>	SAAPL, located in Tamil Nadu, India, engages in the manufacturing and selling of brake discs. SAAPL has a capacity of 33,000 tons per year.
<b>Date of Registration</b>	2 March 1998
<b>Head Office's Location</b>	Indigarai Road, GGO Colony, Coimbatore, Tamil Nadu- 641022, India
<b>Capital Structure</b>	Registered Capital: SAAPL has a registered capital of INR 47,500,000, divided into (1) 1,250,000 equity shares with a par value of INR 10 per share and (2) 3,500,000 redeemable non-cumulative preference shares with a par value of INR 10.  Paid-up Capital: SAAPL has a paid-up capital of INR 35,912,900, divided into (1) 1,035,860 equity shares with a par value of INR 10 per share, and (2) 2,555,430 preference shares with a par value of INR 10.
<b>Board of Directors</b>	1. S. Jeevanantham 2. S. Mohanraj 3. P. Sankararaja Pandian 4. H. Kannan 5. S. Ramu 6. R. Sharath Giri 7. S. Sudharsan Manivel

**Appendix 1**

Shareholders	Name	Number of Shares Held
	1. Sakthi Auto Component Limited (SACL)	536,920
2. S. Jeevanantham	207,172	
3. S. Mohanraj	207,172	
4. S. Ramu	84,596	

## Summary of SAAPL's financial position and performance

	Separate financial statements (Unit: Lakhs or INR one hundred thousand)		Separate financial statements (Unit: Baht million)	
	31 Dec 16	31 Mar 16	31 Dec 16	31 Mar 16
Total assets	7,214	7,271	381	385
Total liabilities	3,818	4,730	201	251
Total shareholders' equities	3,396	2,541	179	135
Total revenues	12,336	12,066	648	645
Net Profit (Loss)	1,188	838	62	45

Note: The separate financial statements as of 31 December 2016 were reviewed by certified public accountants. The separate financial statements as of 31 March 2016 were audited by certified public accountants.

## 4.3.1.3 Sakthi Portugal S.A. ("SP")

<b>Name</b>	Sakthi Portugal S.A. ("SP")
<b>Business Characteristics</b>	SP, located in Maia, Portugal, engages in the manufacturing and selling of brake calipers and housings, differentials, suspension, and engine parts. SP has a capacity of 90,000 tons per year and is a Tier 1 and 2 Automotive Parts Supplier.
<b>Date of Registration</b>	15 June 1998
<b>Head Offices' Location</b>	Rua Jorge Ferreirinha 679, Maia, Portugal
<b>Capital Structure</b>	Registered and Paid-up Capital: SP has a registered and paid-up capital of EUR 6,035,460, divided into 1,207,092 ordinary shares with a par value of EUR 5 per share.
<b>Board of Directors</b>	1. Mr. Jorge Filipe Vilar de Almeida Fesch 2. Mr. José Carlos Oliveira da Silva Cardoso
<b>Shareholders</b>	Sakthi Service GmbH (sole shareholder)

## Summary of SP's financial position and performance

**Appendix 1**

	Separate financial statements (Unit: EUR million)		Separate financial statements (Unit: Baht million)	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15
Total assets	82	77	3,108	3,027
Total liabilities	52	50	1,948	1,952
Total shareholders' equities	31	27	1,160	1,075
Total revenues	96	94	3,760	3,556
Net Profit (Loss)	3	3	133	123

Note: The separate financial statements were audited by certified public accountants.

4.3.1.4 Sakthi Portugal SP 21 S.A. (“SP21”)

<b>Name</b>	Sakthi Portugal SP 21 S.A. (“SP21”)
<b>Business Characteristics</b>	SP21, located in Agueda, Portugal, engages in the manufacturing and selling of differentials, suspension, and engine parts and pump housings for diesel engines. SP21 has a capacity of 40,000 tons per year.
<b>Date of Registration</b>	3 July 2008
<b>Head Office’s Location</b>	Avenida das 2 Rodas, Borralha, Agueda, Portugal
<b>Capital Structure</b>	Registered and Paid-up Capital: SP21 has a registered and paid-up capital of EUR 50,000, divided into 10,000 ordinary shares with a par value of EUR 5 per share.
<b>Board of Directors</b>	1. Mr. Jorge Filipe Vilar de Almeida Fesch 2. Mr. José Carlos Oliveira da Silva Cardoso
<b>Shareholders</b>	Sakthi Portugal S.A. (“SP”, as the sole shareholder)

Summary of SP21’s financial position and performance

	Separate financial statements (Unit: EUR million)		Separate financial statements (Unit: EUR million)	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15
Total assets	33	7	1,254	292
Total liabilities	29	8	1,085	295
Total shareholders' equities	4	(0)	168	(3)
Total revenues	-	-	-	-
Net Profit (Loss)	(0)	(0)	(9)	(5)

Note: The separate financial statements were audited by certified public accountants.

4.3.1.5 Sakthi Automotive Group USA, Inc. (“SAGUSA”)

<b>Name</b>	Sakthi Automotive Group USA, Inc. (“SAGUSA”)
<b>Business Characteristics</b>	SAGUSA, located in Michigan, the USA, engages in the manufacturing and selling of steering knuckles, axle arms, and brackets for General

**Appendix 1**

	Motors and Ford.
<b>Date of Registration</b>	20 October 2010
<b>Head Office's Location</b>	40600 Ann Arbor Rd. E. Ste 201, Plymouth, Michigan 48170, the United States
<b>Capital Structure</b>	Registered Capital: SAGUSA has a registered capital of USD 10.00 million, divided into 10,000,000 common equity shares with a par value of USD 1 per share.  Paid-up Capital: USD 4,000,900, divided into 4,000,900 shares with a par value of USD 1 per share.
<b>Board of Directors</b>	1. Mr. Lalit Kumar 2. Mr. Manickam Mahalingam
<b>Shareholders</b>	1. ABT Limited 3,200,800 shares 2. Mr. Lalit Kumar 800,200 shares

## Summary of SAGUSA's financial position and performance

	Consolidated financial statements (Unit: USD million)		Consolidated financial statements (Unit: Baht million)	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15
Total assets	95	55	3,387	1,990
Total liabilities	79	49	2,823	1,763
Total shareholders' equities	16	6	564	227
Total revenues	79	43	2,804	1,485
Net Profit (Loss)	9	2	333	83

Note: The consolidated financial statements were audited by certified public accountants.

## 4.3.1.6 Weihai Bethel Sakthi Automotive Safety Systems Co., Ltd. ("WBS")

<b>Name</b>	Weihai Bethel Sakthi Automotive Safety Systems Co., Ltd. ("WBS") 威海伯特利萨克迪汽车安全系统有限公司
<b>Business Characteristics</b>	WBS, located in Shandong, China, engages in the manufacturing and selling of steering knuckles, brackets, and aluminum castings for General Motors, Ford, and SAGUSA.
<b>Date of Registration</b>	22 December 2013
<b>Head Office's Location</b>	No.2, Kaituosan Rd., Rushan Economic Development Zone, Rushan, Weihai, Shandong, China
<b>Capital Structure</b>	Registered Capital: WBS has a registered capital of RMB 85.00 million, divided into 85,000,000 ordinary shares with a par value of RMB 1 per share.

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	Paid-up Capital: RMB 85.00 million
<b>Board of Directors</b>	<ol style="list-style-type: none"> <li>1. Yongbin Yuan</li> <li>2. Zhongxi Chen</li> <li>3. Weidong Yang</li> <li>4. Manickasundara Nachimuthu Mahalingam</li> <li>5. Lalit Kumar</li> </ol>
<b>Shareholders</b>	<ol style="list-style-type: none"> <li>1. Sakthi Automotive Group USA, Inc. (SAGUSA): 41,641,538 shares (49%)</li> <li>2. Bethel Automotive Safety Systems Co., Ltd.: 43,350,000 shares (51%)</li> </ol>

## Summary of WBS' financial position and performance

	Separate financial statements (Unit: RMB million)		Separate financial statements (Unit: Baht million)	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15
Total assets	401	196	2,067	1,086
Total liabilities	208	99	1,069	547
Total shareholders' equities	194	97	998	538
Total revenues	466	148	2,478	808
Net Profit (Loss)	97	21	514	117

Note: The separate financial statements were audited by certified public accountants.

## 4.3.2 Holding companies or companies that do not currently materially engage in business

## 4.3.2.1 Orlandofin B.V.

<b>Name</b>	Orlandofin B.V.
<b>Business Characteristics</b>	Holding Company
<b>Date of Registration</b>	1 February 2007
<b>Head Office's Location</b>	Apeldoorn, the Netherlands
<b>Capital Structure</b>	Registered and Paid-up Capital: Orlandofin B.V. has a registered and paid-up capital of EUR 18,000, divided into 18,000 ordinary shares with a par value of EUR 1 per share.
<b>Board of Directors</b>	<ol style="list-style-type: none"> <li>1. Pandithurai, Sankararaja Pandian</li> <li>2. Hanumatha Rao, Kannan</li> </ol>
<b>Shareholders</b>	Sakthi Auto Component Limited ("SACL", as the sole shareholder)

The financial position and performance of Orlandofin B.V. are consolidated in the audited consolidated financial statements of SACL as summarized above.

## 4.3.2.2 Sakthi Service GmbH

<b>Name</b>	Sakthi Service GmbH
<b>Business Characteristics</b>	Holding Company
<b>Date of Registration</b>	21 February 1997
<b>Head Office's Location</b>	Homburg, Germany
<b>Capital Structure</b>	Registered and Paid-up Capital: Sakthi Service GmbH has a registered and paid-up capital of EUR 27,000, divided into 2 ordinary shares with a par value of EUR 26,000 per share and EUR 1,000 respectively.
<b>Board of Directors</b>	Mr. Jorge Fesch
<b>Shareholders</b>	Orlandofin B.V. (sole shareholder)

The financial position and performance of Sakthi Service GmbH are consolidated in the audited consolidated financial statements of SACL as summarized above.

#### 4.3.2.3 Sakthi Portugal GmbH

<b>Name</b>	Sakthi Portugal GmbH
<b>Business Characteristics</b>	After sale and technical support to customers of SP and SP21
<b>Date of Registration</b>	27 September 2010
<b>Head Office's Location</b>	Hamburg, Germany
<b>Capital Structure</b>	Registered and Paid-up Capital: Sakthi Portugal GmbH has a registered and paid-up capital of EUR 25,000, divided into 1 ordinary share with a par value of EUR 25,000 per share.
<b>Board of Directors</b>	Mr. José Carlos Oliveira da Silva
<b>Shareholders</b>	Sakthi Portugal S.A. ("SP", as the sole shareholder)

The financial position and performance of Sakthi Portugal GmbH are consolidated in the audited consolidated financial statements of SACL as summarized above.

#### 4.3.2.4 Sakthi American Corporation

<b>Name</b>	Sakthi American Corporation
<b>Business Characteristics</b>	Holding Company
<b>Date of Registration</b>	27 February 2014
<b>Head Office's Location</b>	6401 W. Fort Street, Detroit, Michigan 48209, the United States

**Appendix 1**

<b>Capital Structure</b>	Registered and Paid-up Capital: Sakthi American Corporation has a registered and paid-up capital of USD 1,000, divided into 1,000 ordinary shares with a par value of USD 1 per share.
<b>Board of Directors</b>	1. Mr. Manickam Mahalingam 2. Mr. Lalit Kumar
<b>Shareholders</b>	Sakthi Automotive Group USA, Inc. ("SAGUSA", as the sole shareholder)

The financial position and performance of Sakthi American Corporation are consolidated in the audited consolidated financial statements of SAGUSA as summarized above.

## 4.3.2.5 Sakthi Real Estate Holdings, Inc.

<b>Name</b>	Sakthi Real Estate Holdings, Inc.
<b>Business Characteristics</b>	Holding Company
<b>Date of Registration</b>	21 March 2012
<b>Head Office's Location</b>	6401 W. Fort Street, Detroit, Michigan 48209, the United States
<b>Capital Structure</b>	Registered and Paid-up Capital: Sakthi Real Estate Holdings, Inc. has a registered and paid-up capital of USD 1,000, divided into 1,000 ordinary shares with a par value of USD 1 per share.
<b>Board of Directors</b>	Mr. Lalit Kumar
<b>Shareholders</b>	Sakthi Automotive Group USA, Inc. ("SAGUSA", as the sole shareholder)

The financial position and performance of Sakthi Real Estate Holdings, Inc. are consolidated in the audited consolidated financial statements of SAGUSA as summarized above.

## 4.3.2.6 Weihai Bethel Sakthi Automotive Co., Ltd. ("Sakthi Bethel")

<b>Name</b>	Weihai Bethel Sakthi Automotive Co., Ltd. ("Sakthi Bethel") 威海萨伯汽车安全系统有限公司
<b>Business Characteristics</b>	Sakthi Bethel engages in sales and trading business.
<b>Date of Registration</b>	25 December 2012
<b>Head Office's Location</b>	North Xihuanghai Automobile Accessory, Century Avenue, Rushan Economic Development Zone, Rushan, China
<b>Capital Structure</b>	Registered Capital: Sakthi Bethel has a registered capital of RMB 5 million (number of shares and par value are not applicable)  Paid-up capital : RMB 4,966,051.53
<b>Board of Directors</b>	1. Yongbin Yuan



	2. Zhongxi Chen
<b>Shareholders</b>	<ol style="list-style-type: none"> <li>1. Sakthi Automotive Group USA, Inc. (SAGUSA), accounted for 51.00% of total shares outstanding</li> <li>2. Bethel Automotive Safety Systems Co., Ltd., accounted for 49.00% of total shares outstanding</li> </ol>

The financial position and performance of Sakthi Bethel are consolidated in the audited consolidated financial statements of SAGUSA as summarized above.

4.3.2.7 Sakthi Services S.A.

<b>Name</b>	Sakthi Services S.A.
<b>Business Characteristics</b>	Holding Company
<b>Date of Registration</b>	13 March 2017
<b>Head Office's Location:</b>	Rua Jorge Ferreirinha, 679 Vermoim, Maia, Portugal
<b>Capital Structure</b>	Registered capital and paid-up capital: Sakthi Services S.A. has a registered and paid-up capital of EUR 105,050,000, divided into 21,010,000 ordinary shares with a par value of EUR 5 per share.
<b>Board of Directors</b>	<ol style="list-style-type: none"> <li>1. Mr. Jorge Filipe Vilar de Almeida Fesch</li> <li>2. Mr. José Carlos Oliveira da Silva Cardoso</li> </ol>
<b>Shareholders</b>	Orlandofin BV (sole shareholder)

4.3.2.8 North American Commerce Center, LLC

<b>Name</b>	North American Commerce Center, LLC
<b>Business Characteristics</b>	Holding Company
<b>Date of Registration</b>	30 April 2014
<b>Head Office's Location:</b>	6632 Telegraph Rd, Ste., 250 Bloomfield Hills MI 48301
<b>Capital Structure</b>	Registered capital and paid-up capital: North American Commerce Center, LLC has a registered and paid-up capital of USD 2,000, divided into 2,000 ordinary shares with a par value of USD 1 per share.
<b>Board of Directors</b>	<ol style="list-style-type: none"> <li>1. Mr. Murray D. Wikol</li> <li>2. Mr. Lalit Kumar</li> </ol>
<b>Shareholders</b>	<ol style="list-style-type: none"> <li>1. Sakthi American Corporation, accounted for 50.00% of total shares outstanding</li> <li>2. ProVisions, LLC, accounted for 50.00% of total shares outstanding</li> </ol>

**5. Total Value of Consideration**

5.1 Value of Consideration

The total value of consideration for the Transaction is the amount of USD 100.00 million or equivalent to approximately Baht 3,522.00 million.

5.2 Payment Terms

The Company shall make payment of consideration for the Transaction in cash, subject to the conditions precedent specified in the relevant Agreements being fulfilled or waived in accordance with the terms and conditions of such Agreements.

**6. Value of Assets Acquired**

The total book value of assets acquired based on the most recent reviewed or audited financial statements as of 31 March 2017 and 31 December 2016, as applicable, is equivalent to Baht 12,952.30 million, with the shareholders' equity of Baht 4,496.68 million.

**7. Basis Used to Determine the Value of Consideration**

The basis used to determine the value of consideration is the value as agreed by and between the parties under the relevant Agreements resulting from negotiation and agreement by and between the Company and SGAH. The total consideration amount is of USD 100.00 million or equivalent to approximately Baht 3,522.00 million. Such amount takes into account Sum-of-the-Parts analysis, using discounted cash flow valuation method for assessing the associated companies and subsidiary companies.

**8. Expected Benefits for the Company**

It is expected that the Transaction will provide the following benefits to the Company:

1. The Company expects that the Transaction would expand and strengthen the Company into being a global automotive parts manufacturer by introducing the Company to a new customer base and international distribution channels, allowing the Company to attain more stable and sustainable growth and diversify operating risk concentrated in Thailand.
2. The Company expects that the Transaction would create a strong business partnership where synergies could be achieved in areas such as technical expertise and product variety, which would help the Company to expand into the Republic of India, Portugal, the USA, and the People's Republic of China, and in introducing SGAH's products to Japanese OEMs.
3. The Company expects that the Transaction, through cooperation and economies of scale between the Company and SGAH, would enhance its earnings performance and extend its global reach.

**9. Source of Funds**

The Company will obtain the funds from (1) internal cash flow in the amount of USD 25.00 million or equivalent to approximately Baht 880.50 million and (2) credit facilities from financial institutions (TMB Bank Public Company Limited and Bangkok Bank Public Company Limited)

in the amount of USD 75.00 million or equivalent to approximately Baht 2,641.50 million with maturity of 5 years, at the average interest rate not exceeding Minimum Loan Rate minus 2.30%.

Information regarding net debt to equity ratio of the Company is as follows:

- The net debt to equity ratio of the Company calculated from the consolidated financial statements as of 31 March 2017 is at 0.32;
- Incorporating credit facilities from financial institutions to invest in SGAH, the Company's net debt to equity ratio after the Transaction would be equivalent to 0.73

	<b>Before the Transaction</b>	<b>After the Transaction</b>
<b>Interest-bearing debt less cash and cash equivalents (Baht million)</b>	2,087.69	4,729.19
<b>Shareholders' equities (Baht million)</b>	6,514.37	6,514.37
<b>Net Debt to Equity (times)</b>	0.32	0.73

**10. Conditions Precedent**

Significant conditions precedent as per the Agreements are:

1. Completion of the restructuring of SGAH Group
2. Approval and release letters by the consortium of banks led by Barclays Bank PLC, discharging the obligations of SGAH's group as the borrower or guarantors under the facility agreement
3. Approval of the Transaction by the Board of Directors of SGAH

**11. Characteristics and extent of interest of connected persons**

SGAH does not have a shareholder holding more than 10% of voting rights in SGAH being a connected person of the Company pursuant to the Connected Transactions Rules.

**12. Opinions of the Board of Director concerning a decision to enter into a transaction**

The Board of Directors' Meeting of the Company No. 90/2017, held on the date of 22 May 2017, resolved to approve the Transaction, as the Board of Directors considered and viewed that the Transaction was reasonable and beneficial to the Company and its shareholders, given the reasons described in item 8 above. The Meeting therefore resolved to approve that the Company enter into the Transaction.

**13. Opinions of the company's Audit Committee and/or directors which are different from the opinions of the Board of Directors under item 12**

None