



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.

Due to uncertainty of the acquisition transaction after the Meeting on May 22, 2017, the Company therefore discloses the Information Memorandum to SET after the signing of joint venture agreement which has taken place on May 25, 2017.

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

AAPICO HITECH PUBLIC COMPANY LIMITED

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. [This sales transaction has been completed on May 25, 2017.](#)

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

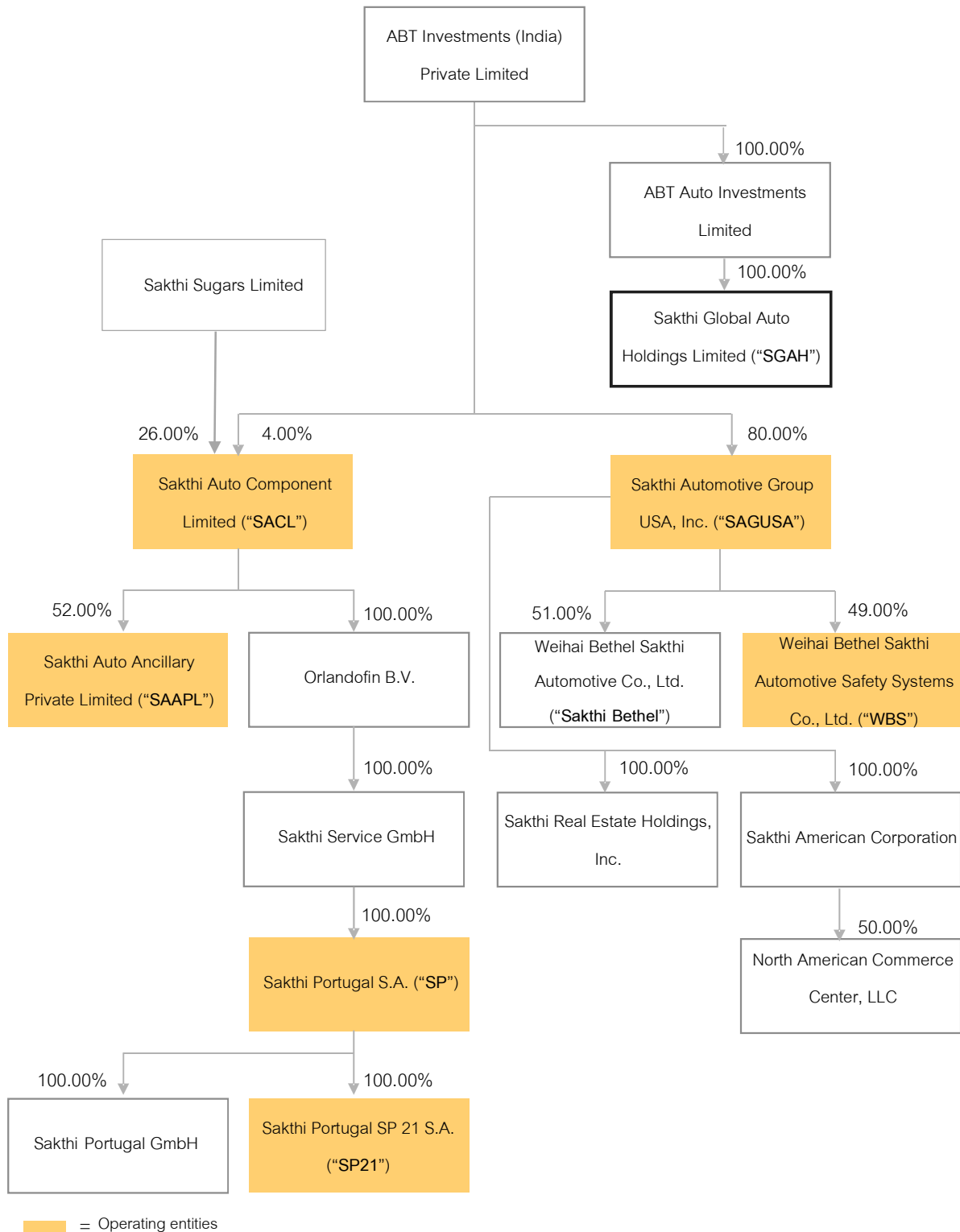
The following reinvestment conditions apply, as applicable:

- (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 and the Company will not convert the synthetic convertible loan to 1 ordinary share in SGAH.

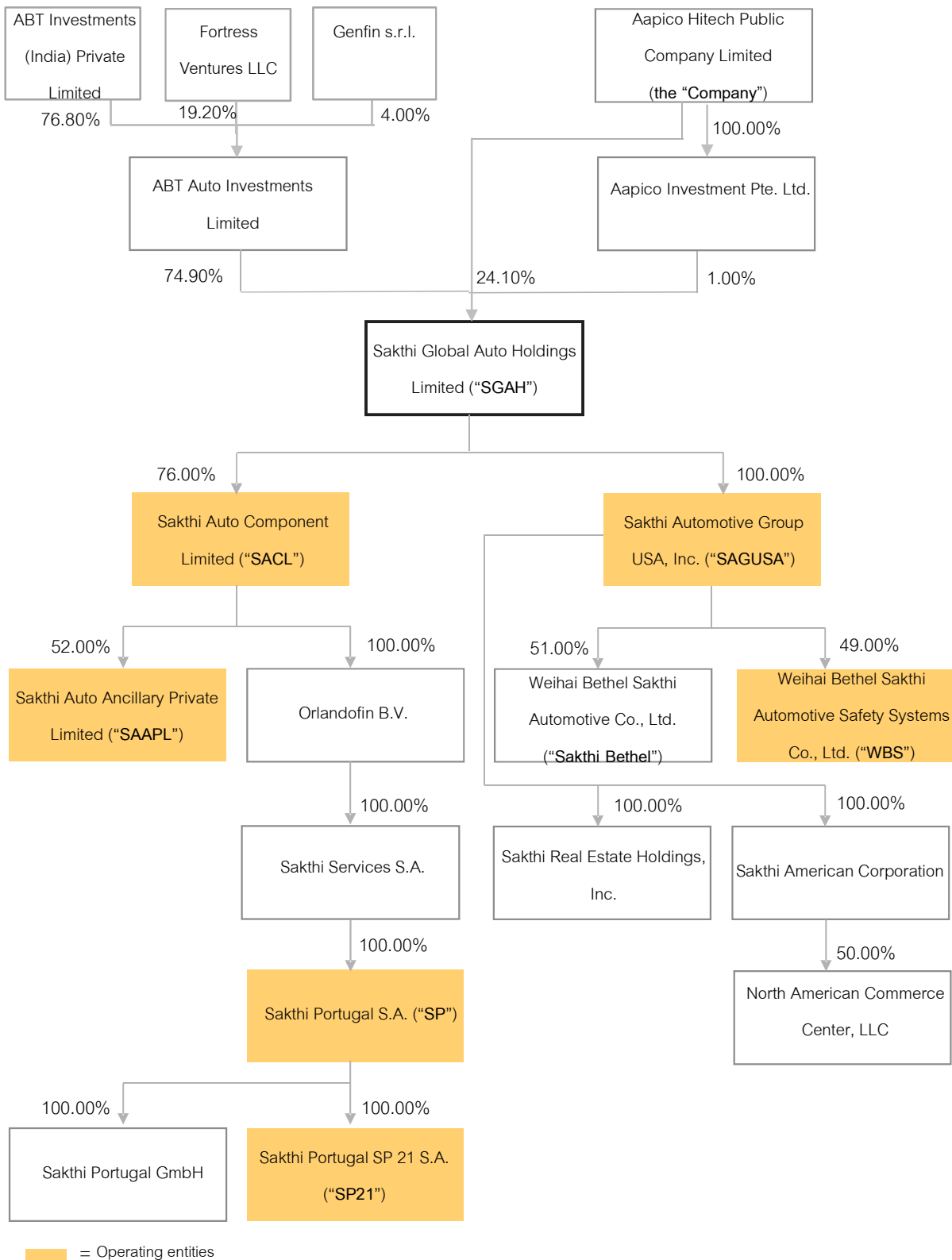
In summary, considering the total amount in exchange for 25.10% in SGAH, the repayment according to the Loan Agreement and the payment for the arrangement to reinvest in 1 ordinary share are as follows:

- If 25.10% of the equity value of SGAH is at least USD 100.00 million, the Company will, in effect, purchase 25.11% 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 25.11% of SGAH's equity at the amount calculated based on the aforementioned formula.
- 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 without any exchange into such 1 ordinary share of SGAH.

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 4,317.08 million x 25.10%
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Net tangible assets of the Company		Baht 5,863.37 million
(According to the reviewed consolidated financial statements of the Company as of 31 March 2017)	=	18.48%

2. Comparison of Net Profit

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

3. Comparison of the Consideration Paid

Total consideration paid	=	Baht 3,522.00 million
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Total assets of the Company		Baht 11,395.54 million
(According to the reviewed consolidated financial statements of the Company as of 31 March 2017)	=	30.91%

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 disposal transaction 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%

The size of the **disposal** transaction within the past 6 months prior to the date of the Transaction is calculated to be 0.93% using Comparison of Consideration Paid criteria. **There were no other asset acquisition or asset disposal transactions during 6 months prior to the Transaction.** Therefore, the highest transaction size is equivalent to **30.91%** 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.

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

Name	Sakthi Auto Component Limited (“SACL”)		
Business Characteristics	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.		
Date of Registration	19 February 1999		
Head Office’s Location	180, Race Course Road, Coimbatore, Tamil Nadu- 641018, India		
Capital Structure	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		
Board of Directors	<ol style="list-style-type: none"> 1. Shanmugasundaram Chandrasekhar 2. Sankara Venkitasubra Mony 3. Rangachary Nambi Iyengar 4. Rangamani 5. Mahalingam Manickam 6. Srinivaasan Mahalingam 7. Balasubramaniam Mahalingam 8. Manickam Hari Hara Sudhan 9. Ramaswamy Venkataramanan 10. Manickam Radha Akilandeshwari 		
Shareholders	<u>Name</u>	<u>Number of Shares Held</u>	<u>Percentage Holding</u>
	1. M Manickam*	101	0.00%
	2. M Balasubramaniam*	101	0.00%
	3. S Chandrasekhar*	101	0.00%
	4. N Mahalingam*	101	0.00%

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	5. T Rajkumar*	101	0.00%
	6. P Srinivasan*	101	0.00%
	7. Sakthi Sugars Limited	63,859,394	25.93%
	8. Castle Aluminium (Mauritius) Ltd.	172,310,240	69.96%
	9. ABT Investments (India) Private Limited	7,757,080	3.15%
	10. ABT Limited	2,382,680	0.97%

*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 for the accounting period from 1 April to 31 March were audited by certified public accountants.

4.3.1.2 Sakthi Auto Ancillary Private Limited ("SAAPL")

Name	Sakthi Auto Ancillary Private Limited ("SAAPL")
Business Characteristics	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.
Date of Registration	2 March 1998
Head Office's Location	Indigarai Road, GGO Colony, Coimbatore, Tamil Nadu- 641022, India
Capital Structure	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.
Board of Directors	1. S. Jeevanantham 2. S. Mohanraj

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	3. P. Sankararaja Pandian 4. H. Kannan 5. S. Ramu 6. R. Sharath Giri 7. S. Sudharsan Manivel		
Shareholders	<u>Name</u>	<u>Number of Shares Held</u>	<u>Percentage Holding</u>
	1. Sakthi Auto Component Limited (SACL)	536,920	51.83%
	2. S. Jeevanantham	207,172	20.00%
	3. S. Mohanraj	207,172	20.00%
	4. S. Ramu	84,596	8.17%

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 (trailing twelve months)	12,336	12,066	648	645
Net Profit (Loss) (trailing twelve months)	1,188	838	62	45

Note: The separate financial statements for the accounting period from 1 January 2016 to 31 December 2016 were reviewed by certified public accountants. The separate financial statements as end of 31 March 2016 for the accounting period from 1 April 2015 to 31 March 2016 were audited by certified public accountants.

4.3.1.3 Sakthi Portugal S.A. (“SP”)

Name	Sakthi Portugal S.A. (“SP”)
Business Characteristics	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.
Date of Registration	15 June 1998
Head Offices’ Location	Rua Jorge Ferreirinha 679, Maia, Portugal

Appendix 1

Capital Structure	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.
Board of Directors	1. Mr. Jorge Filipe Vilar de Almeida Fesch 2. Mr. José Carlos Oliveira da Silva Cardoso
Shareholders	Sakthi Service GmbH (sole shareholder)

Summary of SP's financial position and performance

	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 for the accounting period from 1 January to 31 December were audited by certified public accountants.

4.3.1.4 Sakthi Portugal SP 21 S.A. ("SP21")

Name	Sakthi Portugal SP 21 S.A. ("SP21")
Business Characteristics	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.
Date of Registration	3 July 2008
Head Office's Location	Avenida das 2 Rodas, Borralha, Agueda, Portugal
Capital Structure	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.
Board of Directors	1. Mr. Jorge Filipe Vilar de Almeida Fesch 2. Mr. José Carlos Oliveira da Silva Cardoso
Shareholders	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 for the accounting period from 1 January to 31 December were audited by certified public accountants.

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

Name	Sakthi Automotive Group USA, Inc. (“SAGUSA”)		
Business Characteristics	SAGUSA, located in Michigan, the USA, engages in the manufacturing and selling of steering knuckles, axle arms, and brackets for General Motors and Ford.		
Date of Registration	20 October 2010		
Head Office’s Location	40600 Ann Arbor Rd. E. Ste 201, Plymouth, Michigan 48170, the United States		
Capital Structure	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 4,001,000, divided into 4,001,000 shares with a par value of USD 1 per share.		
Board of Directors	1. Mr. Lalit Kumar 2. Mr. Manickam Mahalingam		
Shareholders	<u>Name</u>	<u>Number of Shares Held</u>	<u>Percentage Holding</u>
	1. ABT Limited	3,200,800	80.00%
	2. Mr. Lalit Kumar	800,200	20.00%

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 for the accounting period from 1 January to 31 December were audited by certified public accountants.

4.3.1.6 Weihai Bethel Sakthi Automotive Safety Systems Co., Ltd. (“WBS”)

Name	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		
Business Characteristics	WBS, located in Shandong, China, engages in the manufacturing and selling of steering knuckles, brackets, and aluminum castings for General Motors, Ford, and SAGUSA.		
Date of Registration	22 December 2013		
Head Office’s Location	No.2, Kaituosan Rd., Rushan Economic Development Zone, Rushan, Weihai, Shandong, China		
Capital Structure	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. Paid-up Capital: RMB 85.00 million		
Board of Directors	<ol style="list-style-type: none"> 1. Yongbin Yuan 2. Zhongxi Chen 3. Weidong Yang 4. Manickasundara Nachimuthu Mahalingam 5. Lalit Kumar 		
Shareholders	<u>Name</u>	<u>Number of Shares Held</u>	<u>Percentage Holding</u>
	1. Sakthi Automotive Group USA, Inc. (SAGUSA)	41,641,538	48.99%
	2. Bethel Automotive Safety Systems Co., Ltd.:	43,350,000	58.01%

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 for the accounting period from 1 January to 31 December 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.

Name	Orlandofin B.V.
Business Characteristics	Holding Company
Date of Registration	1 February 2007
Head Office's Location	Apeldoorn, the Netherlands
Capital Structure	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.
Board of Directors	1. Pandithurai, Sankararaja Pandian 2. Hanumatha Rao, Kannan
Shareholders	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

Name	Sakthi Service GmbH
Business Characteristics	Holding Company
Date of Registration	21 February 1997
Head Office's Location	Homburg, Germany

Appendix 1

Capital Structure	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.
Board of Directors	Mr. Jorge Fesch
Shareholders	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

Name	Sakthi Portugal GmbH
Business Characteristics	After sale and technical support to customers of SP and SP21
Date of Registration	27 September 2010
Head Office's Location	Hamburg, Germany
Capital Structure	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.
Board of Directors	Mr. José Carlos Oliveira da Silva
Shareholders	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

Name	Sakthi American Corporation
Business Characteristics	Holding Company
Date of Registration	27 February 2014
Head Office's Location	6401 W. Fort Street, Detroit, Michigan 48209, the United States
Capital Structure	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.
Board of Directors	1. Mr. Manickam Mahalingam 2. Mr. Lalit Kumar
Shareholders	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.

Name	Sakthi Real Estate Holdings, Inc.
Business Characteristics	Holding Company
Date of Registration	21 March 2012
Head Office's Location	6401 W. Fort Street, Detroit, Michigan 48209, the United States
Capital Structure	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.
Board of Directors	Mr. Lalit Kumar
Shareholders	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**”)

Name	Weihai Bethel Sakthi Automotive Co., Ltd. (“ Sakthi Bethel ”) 威海萨伯汽车安全系统有限公司	
Business Characteristics	Sakthi Bethel engages in sales and trading business.	
Date of Registration	25 December 2012	
Head Office's Location	North Xihuanghai Automobile Accessory, Century Avenue, Rushan Economic Development Zone, Rushan, China	
Capital Structure	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	
Board of Directors	1. Yongbin Yuan 2. Zhongxi Chen	
Shareholders	<u>Name</u>	<u>Percentage Holding</u>
	1. Sakthi Automotive Group USA, Inc. (SAGUSA)	51.00%
	2. Bethel Automotive Safety Systems Co., Ltd.	49.00%

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.

Name	Sakthi Services S.A.
Business Characteristics	Holding Company
Date of Registration	13 March 2017
Head Office's Location:	Rua Jorge Ferreirinha, 679 Vermoim, Maia, Portugal
Capital Structure	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.
Board of Directors	1. Mr. Jorge Filipe Vilar de Almeida Fesch 2. Mr. José Carlos Oliveira da Silva Cardoso
Shareholders	Orlandofin BV (sole shareholder)

4.3.2.8 North American Commerce Center, LLC

Name	North American Commerce Center, LLC	
Business Characteristics	Holding Company	
Date of Registration	30 April 2014	
Head Office's Location:	6632 Telegraph Rd, Ste., 250 Bloomfield Hills MI 48301	
Capital Structure	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.	
Board of Directors	1. Mr. Murray D. Wikol 2. Mr. Lalit Kumar	
Shareholders	<u>Name</u>	<u>Percentage Holding</u>
	1. Sakthi American Corporation	50.00%
	2. ProVisions, LLC	50.00%

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 **end** of 31 March 2017 and/or 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

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