

No. NDR013/2017

November, 26 2017

**Subject** Resolution of the Board of Directors' Meeting No. 5/2017 (**Amended No.3**)

**To** **President**

**The Stock Exchange of Thailand**

**Enclosure**

1. Information Memorandum on the Acquisition of Assets and the Connected Transaction
2. Information Memorandum regarding the offering of the newly issued ordinary shares to specific investors (Private Placement)
3. Capital Increase Report Form (F53-4)

N.D. Rubber Public Company Limited (“**the Company**” or “**NDR**”) would like to inform that Board of Directors' Meeting No.5/2017 held on November 26, 2017 which has the material resolutions as follows

1. Approved to propose the Shareholders' Meeting to approve the Company to acquire total shares of 20,000,000 of Fung Keong Rubber Manufactory (Malaya) Sdn Bhd (“**FKRMM**”) from Consistent Record Sdn Bhd (“**CRSB**”) at par value of 1 MYR which accounted for 100% of total paid-up capital of FKRMM. Payment in acquiring transaction equal to 53,000,000 MYR or equivalent to 416,537,120 THB which calculated by issuing 55,000,000 new ordinary shares which is value at 28,600,000 MYR (equivalent to 220,000,000 THB). The reference exchange rate is 0.13 MYR per THB which is 15 days average exchange rate before the negotiation date between NDR and CRSB which is a period between August 18, 2017 and September 12, 2017. The exchange rate is referred from Malaysia National Bank. The above exchange rate is set in order to keep the ringgit constant. Payment by cash valuation at 24,000,000 MYR which is equivalent to 196,537,120 THB at the exchange rate of 8.0548 THB per MYR on November 24, 2017 which prior to Board of Director's Meeting of the Company. The exchange rate is referred to the Bank of Thailand.

After the transaction's completion, CRSB will hold NDR's ordinary shares for 20.31% of paid-up capital and appoint representative, Mr. Dato' Marco Low Peng Kiat (“**Dato' Marco Low**”), to be NDR's director. In addition, the size of transaction equals to **510,920,000 THB** or **118.53%** of the Company's NTA as of September 30, 2017. The stated value is more than 20,000,000THB and more than 3% of net tangible assets. So the Company needs an approval of connected transactions from shareholders' meeting with the vote of not less than three-fourths of total votes of shareholders who attend and grant the right to vote. However, shareholders who have conflict of interest in this issue are excluded from the vote. The Company also needs to prepare the disclosure of information memorandum. In order to approve this connected transaction from shareholders, the Company is required to appoint Finnex Advisory Company Limited as the Independent Financial Advisor (“**IFA**”) who is approved by SEC and express an opinion on the transaction.

For details, please see Information Memorandum on the Acquisition of Assets and the Connected Transaction of the Company (Enclosure 1).

Furthermore, the Board of Directors deems appropriate to propose to the Shareholders Meeting to consider and authorize the Board of Directors and/or the Chief Executive Officer and/or any person authorized by such person to negotiate, agree, determine, amend the details of conditions or process any necessary matters as regard the Acquisition Transaction of FKRRM including the signing of the Agreement, memorandums or any documents and liaison with government agencies or related regulatory agencies as well as complete any appropriate and necessary procedures.

However, the Company would enter into the above transactions only upon approval of the shareholders meeting and the matter in Clause 2 to 3 as well as the president conditions in the entire business transfer agreement, are fulfilled. In case of the Extraordinary General Meeting of Shareholders No. 1/2018 does not approve the Acquisition of Assets and the Connected Transaction as specify in Clause 1, the Company shall not propose the matter in Clause 2 to 3 for consideration. And since matters in Clause 2 to Clause 3 are all related, therefore the consideration and approval of matter as per Clause 2 to Clause 3 are all precedent conditions of one another, should any agenda has not been approved, any previously approved clause shall be void and the consideration of any outstanding agenda shall be cancelled such that all matters of Clause 1 to Clause 3 shall be deemed as have not been approved by the Shareholders Meeting.

2. Approved to propose the Shareholders' Meeting to approve the increase of the Company's registered capital from 322,500,000 THB to 377,500,000THB by issuing 55,000,000 newly issued ordinary shares, with a par value of 1.00THB per share, for the allotment of newly issued ordinary shares to specific investors (Private Placement) for the compensation of entire business transfer of FKRRM, and the amendment to Clause 4 in the Memorandum of Association to be in line with the increase of the Company's registered capital. The details are as follows:

“Clause 4	Registered Capital of	377,500,000THB (Three hundred seventy seven million five hundred thousand Baht)
	Divided into	377,500,000Shares (Three hundred seventy seven million five hundred thousand Shares)
	With a par value of	1 THB each
	Categorized into Ordinary shares	377,500,000Shares (Three hundred seventy seven million five hundred thousand Shares)
	Preference shares	- shares (-shares)”

3. Approved to propose the Shareholders' Meeting to approve the allocation of 55,000,000shares of the Company's issued ordinary shares, with a par value of 1.00 THB per share, to specific investor (Private Placement), at the offering price of

4.00 THB per share, totaling to 220,000,000 THB for paying for the entire business transfer to CRSB, which value at 220,000,000 THB as an alternative to the cash payment (the Company will pay the cash approximately 196,537,120THB). Upon the completion of the increase of the Company's registered capital, CRSB will hold 20.31 percent of the Company's total Company's total paid-up capital.

In accordance with the definition prescribed in the Notification of Capital Market Supervisory Board No. Tor Chor. 72/2558 Re: Approval of Offering for Sale of Newly Issue Shares by Listed Companies to the Specific Persons (the "Notification TorChor. 72/2558"), the offering and allocation of newly issued ordinary shares to specific persons through private placement shall be approved by the shareholder's meeting with specific offering price and approved by the Securities and Exchange Commission ("SEC") before offering the newly issued shares to PP.

For details, please see Information Memorandum regarding the offering of the newly issued ordinary shares to specific investors (Private Placement) ([Enclosure 2](#)) and Capital Increase Report Form (F 53-4) (2) ([Enclosure 3](#))

4. Approved to propose the Shareholders' Meeting to approve a representative from CRSB, Mr. Dato' Marco Low, to be one of the Company's director. After the above director appointment, the Company will have 8 directors consisting of 3 independent directors according to the regulations of SET which will take effect after Completion Date and allocation of the Company's newly issued ordinary shares to CRSB is completed. In the event that shares acquisition of FKRMM is cancelled, the approval of director will also be terminated.
5. Approved the appointment Finnex Advisory Company Limited to be an independent financial advisor to provide an opinion on the Acquisition Transaction and the Connected Transaction of the Company.
6. Approved to convene the Extraordinary General Meeting of Shareholders No. 1/2018 which will be held on January 18, 2018 at 10.00 a.m. at Panorama 1, 14th Floor, The Emerald Hotel, Rachadapisek Road., Din Daeng, Bangkok with the record date on December 12, 2017. The meeting has the following agenda:

- |          |   |
|----------|---|
| Agenda 1 | Approve the Minutes of the Ordinary General Meeting of Shareholders for the year 2017.  |
| Agenda 2 | Approve the purchase and acceptance of the entire business transfer of FKRMM which is deemed as the acquisition of assets and the connected transaction.                                    |
| Agenda 3 | Approve the increase of the Company's registered capital from 322,500,000 THB to 377,500,000THB by issuing 55,000,000 newly issued ordinary shares, with a par value of 1.00 THB per share. |
| Agenda 4 | The amendment to Clause 4 in the memorandum of association to be in line with the increase of the Company's registered capital.   |
| Agenda 5 | Approve the allocation of the Company's newly issued ordinary shares to specific investors (Private Placement), whom is deemed as connected persons.  |
| Agenda 6 | Approve to appoint 1 new director of the Company.   |
| Agenda 7 | Other business (if any)   |

However, the meeting empower the Executive Committee or the Managing Director to amend or change the date of determination of shareholders who shall be entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2018 (Record Date), as well as to amend, change or determine the date, time and venue of the Extraordinary General Meeting of Shareholders No. 1/2018 if the Company faces any problem in preparing the documents and information which results in any delay in preparing those documents and information and sending of such documents and information to the shareholders within the time specified by the applicable rules, regulations and law, or in case of occurrence of any event which necessarily causes amendment or change of the determination of such dates and time to be made as appropriate.

Please be informed accordingly.

Yours sincerely,

- Signature -

(Mr. Chaiyasit Samrittivanicha)

Managing Director

N.D. Rubber Public Company Limited



บริษัท เอ็น.ดี.รีบบอร์ จำกัด (มหาชน)

N.D. RUBBER PUBLIC COMPANY LIMITED

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## Information Memorandum Regarding to the Acquisition of Assets of

### N.D. Rubber Public Company Limited (Amended No.3)

The Board of Director's Meeting No. 5/2017 of N.D. Rubber Public Company Limited (“the Company” or “NDR”) where held on November 26, 2017 has resolved the Company to acquire total shares of 20,000,000 of Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd. (“FKRMM”) from Consistent Record Sdn. Bhd. (“CRSB”) at par value of 1 MYR which accounted for 100% of total paid-up capital of FKRMM. Payment in acquiring transaction equal to 53,000,000 MYR or equivalent to 416,537,120 THB which calculated by issuing 55,000,000 new ordinary shares which is value at 28,600,000 MYR (equivalent to 220,000,000 THB). The reference exchange rate is 0.13 MYR per THB which is 15 days average exchange rate before the negotiation date between NDR and CRSB which is a period between August 18, 2017 and September 12, 2017. The exchange rate is referred from Malaysia National Bank. The above exchange rate is set in order to keep the ringgit constant. Payment by cash valuation at 24,400,000 MYR which is equivalent to 196,537,120 THB at the exchange rate of 8.0548 THB per MYR on November 24, 2017 which prior to Board of Director's Meeting of the Company. The exchange rate is referred to the Bank of Thailand. (Remark: The exchange rate of 0.13 MYR per THB is used for payment of acquisition of FKRMM shares only. The exchange rate of 8.0548 THB per MYR is used for calculation of other transactions.)

The acquisition of FKRMM's shares is a transaction of which NDR expects immediately benefit because FKRMM has become NDR's customer for more than 10 years. About 40% of NDR's revenue came from FKRMM which is considered as the biggest customer of NDR. Therefore, after NDR has consolidated financial statement with FKRMM, NDR's profit will implicitly increase because since the year 2014 to 2016, FKRMM has continued operating profit of 66.23, 61.12 and 54.58 million baht respectively (refer to FKRMM's consolidated financial statement for the 12 month ended January 31, 2017 (reviewed by KPMG)). In addition, FKRMM have 4 distribution warehouses in Malaysia, therefore, NDR has the potential to expand the Malaysian market share and retain the existing customers. Moreover, FKRMM was a motorcycle tire and tube manufacturer, therefore its personnel not only has expertise in market distribution but also knowledge in manufacturing which will be a good advantage for production development of NDR.

Purchase Consideration of the acquisition of FKRMM's shares is equal to 53,000,000 MYR which may be reduced as referred to Clause 5.3. Transaction size's calculation in this Information Memorandum will calculate on value of 53,000,000 MYR in maximum.

This transaction is categorized as the asset's acquisition of NDR regarding to the Capital Market Supervisory Board Announcement TorJor 20/2551 about the regulation on significant transactions subjecting to be an acquisition or disposition of assets, effective on August 31, 2008 and amended version 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 Disposition of Assets B.E.2547, effective on October 29, 2004 (the Notification of Acquisition and Disposition of Assets). When the transaction size is calculated as the Notification of Acquisition and Disposition of Assets' requirement by using



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N.D. RUBBER PUBLIC COMPANY LIMITED

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the highest value from the base of net operating profit, the transaction size equals to 165.56% computed from the latest financial statement ended September 30, 2017 (No other acquisition transaction per the base of net operating profit during the past 6 months). Therefore, NDR needs to comply with Backdoor listing process as the size of transaction exceeds 100% which need to be filed for new securities listing. However, this acquired asset is considered as an exemption of new listing application as all 4 criteria of the following apply (referred to Clause 3.2). NDR is required to disclose information on the Transaction to the SET; obtain approval from the shareholders' meeting of NDR with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding shareholders having interests; and appoint an independent financial advisor to provide an opinion on the Transaction and submit such opinion to the SEC, the SET, and the shareholders of NDR for their consideration. In this case, NDR has appointed Finnex Advisory Company Limited as the Independent Financial Advisory ("IFA").

NDR must disclose information of transaction's detail as follows:

#### 1. Date of transaction

NDR will acquire wholly shares of FKRMM by issuing new ordinary shares to seller (CRSB) and paying partial cash. The payment will be made after the resolution of the Extraordinary General Meeting no.1/2018 which will be held on January 18, 2018. NDR expects to complete the transaction within 60 days from the date of shareholders' resolution.

#### 2. Related parties and relationship with NDR

Purchaser: N.D. Rubber Public Company Limited ("NDR")

Seller: Consistent Record Sdn Bhd ("CRSB") holding 100% of FKRMM's paid-up capital

**Date of Incorporation :** March 8, 2010

**Address :** 332A-19, Tingkat 19 Plaza Ampang City, Jalan Ampang, Kuala Lumpur  
Wilayah Persekutuan, Malaysia

**Board of Directors :** 1) Mr. Low Keng Huat, Tan Sri Dato'  
2) Mr. Marco Low Peng Kiat, Dato

**Registered Capital :** 100,000 shares at par value of 1 MYR

**Paid-up Capital :** 32 Shares

**Shareholders' List :** 1) Low Keng Huat, Tan Sri Dato' owned 16 shares or equals to 50% of paid-up capital  
2) Marco Low Peng Kiat, Dato owned 16 shares or equals to 50% of paid-up capital

**Nature of business :**

- Investment in 19 Holding companies
- Investment in 14 property business companies
- Investment in 4 trading companies
- Investment in 6 companies which doing other business

The businesses that CRSB invested above do not involved in manufacturing and distribution of motorcycle tire, tube and rubber products including import and distribution of shoe or other business which have conflict of interest with NDR.

**Relationship with NDR:**

KRMM, a wholly-owned subsidiary of CRSB, sells tires and tires in motorcycles in Malaysia. In 2004, FKMM has hired NDR to manufacture tires and tires for motorcycles under the FKR brand for sale in Malaysia.

After the transaction is completed, CRSB will hold NDR's ordinary shares for 20.31% of paid-up Capital and appoint the representative as NDR's director even though the representative of CRSB is not an executive who controls power in normal operation of NDR. Therefore, this transaction is categorized as connected transactions regarding to the Capital Market Supervisory Board Announcement TorChor 21/2551 about Rules on Connected Transactions and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected transactions B.E.2546 and amended version (**“the Notification of Connected Transactions”**).

Currently, CRSB is wholly-owned FKMM by holding 100% of paid-up capital.

**3. General Characteristics and Transaction Size**

**3.1 General information of transaction**

NDR intends to acquire shares of FKMM from CRSB for 20,000,000 shares at par value of 1 MYR which accounted for 100% of total paid-up capital of FKMM including 2 subsidiary companies; FKR Marketing Sdn. Bhd. (“FKR”) and GCB Trading Sdn.Bhd. (“GCB”). Payment in acquiring transaction equal to 53,000,000 MYR or equivalent to 416,537,120THB. After completion of the transaction, FKMM, FKR and GCB shall be subsidiary company of NDR.

Additional important condition after completion of transaction is group of Samrittivanicha Family current major shareholder of NDR shall sell 32,000,000 units of exiting warrant to CRSB at 1.00 THB per share, current major shareholder shall exercise 10,000,000 units of warrant and CRSB shall exercise 20,000,000 units of warrant on June 15, 2018. To exercise the remaining warrant of 12,000,000 units on December 22, 2018, it depends on CRSB rights to decide whether to exercise his own remaining warrant but shareholding of CRSB must maintain and not exceed 25%. (At present, group of Samrittivanicha Family hold 52,190,600 units of NDR-W1 which consist of 1) Mrs. Nittaya Samrittivanicha 2) Mr. Chaiyasit Samrittivanicha and 3) Mrs. Thanyarat Samrittivanicha.

### 3.2 The transaction size

The transaction size's calculation regarding to the Notification of Acquisition and Disposition of Assets will compute from NDR's financial statement for the 9-month ended September 30,2017 and FKRMM's latest financial statement for the 12-month ended January 31,2017. Financial highlights of NDR and FKRMM are detailed as follows:

Financial information from Audited Financial Statement of N.D. Rubber Public Company Limited for 9 month ended September 30, 2017

Unit: million baht

Details	NDR's consolidated financial statement (for the 9-month ended September 30,2017)
Total Assets	712.99
Intangible assets	3.55
Total liabilities	277.07
Minority interest	1.30
Net tangible assets (NTA)	431.06
Net profit during the past 12 months	33.13

Financial information of Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd. ("FKRMM") after conducted due diligence Reviewed by KPMG

Details	FKRMM's consolidated financial statement (Reviewed by KPMG) (For the 12-month ended January 31,2017)		FKRMM's consolidated financial statement (Reviewed by KPMG) (For the 7-month ended August 31, 2017)	
	Unit : MYR	Unit : Baht	Unit : MYR	Unit : Baht
Total Assets	84.51	680.68	52.37	421.80
Intangible assets	0.10	0.81	0.10	0.81
Total liabilities	20.98	168.95	17.12	137.91
Minority interest	-	-	-	-
Net tangible assets (NTA)	63.43	510.92	35.14	283.08
Net profit	6.81	54.85	2.24	18.04



Details of calculation of transaction's size are as follows:

1) Transaction's size based on net tangible assets

$$\begin{aligned} \text{Net tangible assets(1)} &= \frac{\text{Proportion of assets acquired} \times \text{FKRMM's NTA} \times 100}{\text{NTA of listed company and its subsidiary}} \\ &= \frac{100\% \times 510.92 \times 100}{431.06} \\ &= 118.53\% \end{aligned}$$

$$\begin{aligned} \text{Net tangible assets(2)} &= \frac{\text{Proportion of assets acquired} \times \text{FKRMM's NTA} \times 100}{\text{NTA of listed company and its subsidiary}} \\ &= \frac{100\% \times 283.08 \times 100}{431.06} \\ &= 65.67\% \end{aligned}$$

**Note:** 1. NTA = Total tangible assets – Liabilities – Minority interest

2. Net tangible assets (1) is computed from FKRMM's NTA as of January 31, 2017 and net tangible assets (2) is computed from FKRMM's NTA as of August 31, 2017

NTA of FKRMM as of August 31, 2017 is less than NTA as of January 31, 2017 is due to reducing in retain earnings of which used for clearing the internal debt between CRSB and FKRMM.

2) Transaction's size based on net operating profits

$$\begin{aligned} \text{Net operating profits} &= \frac{\text{Proportion of assets acquired} \times \text{FKRMM's NOP} \times 100}{\text{Listed company's net operating profits}} \\ &= \frac{100\% \times 54.85 \times 100}{33.13} \\ &= 165.56\% \end{aligned}$$

3) Transaction's size based on total value of consideration

The listed securities consideration, whichever is higher between market price of listed securities and NTA, will be selected for transaction's size calculation.

$$\begin{aligned} \text{Total value of consideration} &= \frac{\text{Value of transaction gained or paid} \times 100}{\text{Total asset of listed company}} \\ &= \frac{416.54 \times 100}{712.99} \\ &= 58.42\% \end{aligned}$$

4) Transaction's size based on value of equity shares

$$\begin{aligned} \text{Value of equity shares} &= \frac{\text{Equity shares issued for the payment of assets} \times 100}{\text{Issued and paid-up shares of the company}} \\ &= \frac{55,000,000 \times 100}{215,850,000} \\ &= 25.48\% \end{aligned}$$

Summary of calculation of transaction's size compared in 4 bases

Basis of transaction size calculation	%
1) Value of the net tangible assets	118.53
2) Net operating profits	165.56
3) Total value of consideration	58.42
4) Value of equity shares	25.48

From the above calculation, the transaction's size based on net operating profit is the highest value which equals 165.56% when compared to the Company's net operating profit in the latest 4 quarters (Quarter 4/2016 to Quarter 3/2017) ended September 30,2017. The acquisition of non-listed company with the transaction size of more than 100% is classified as the acquisition of assets item 4 or Backdoor listing and must be filed for new securities listing regarding to the Capital Market Supervisory Board Announcement TorJor20/2551 about the regulation on significant transactions subjecting to be an acquisition or disposition of assets 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 Disposition of Assets B.E.2547.

As NDR is a motorcycle tire and tube manufacturer and distributor, while FKRMM is a distributor of motorcycle tire and tube, therefore they do not have any conflict of interest but support each other. The shares acquisition of FKRMM meets 4 criteria of exemption as refer to the 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 Disposition of Assets B.E.2547. As a result, new securities listing are exempted as per the following reasons:

a) The acquired business is similar or support existing business

In 1939, FKRMM was the manufacturer of motorcycle tire and tube under FKR brand, having FKRMM as a distributor. In 2014, FKRMM ceased its business and transfer itself to be share holding company. However, FKRMM can see distribution channel therefore FKRMM agreed with NDR to produce and dispatch motorcycle tire and tube under FKR brand to Malaysia. FKRMM is still a distributor in Malaysia. Therefore, both company have similar business and directly support each other.

i) Customer and Distribution Channel – NDR and FKRMM's major customers are called as replacement market (replacement market means motorcycle riders who change tire and tube in order to replace the old one due to tire/tube damage or tire wear). NDR's product will be distributed in Thailand under ND Rubber brand while FKRMM's product will be distributed in Malaysia under FKR brand. As per similar characteristics of customers, it shows that both NDR and FKRMM are specialized and expertise in marketing for such customers. FKRMM has 4 warehouses to distribute goods to more than 79 distributors in Malaysia. Therefore, this business acquisition is the opportunity of NDR to expand into Malaysian market.

- ii) Personnel - FKRMM was a motorcycle tire and tube manufacturer, therefore its personnel has expertise and knowledge in manufacturing which will be advantage for production development of NDR.
- iii) Financial Status – Based on the past 3 year business performance, FKRMM has profit from motorcycle tire and tube distribution about 40,000,000 – 50,000,000 THB per year which show that FKRMM is consistently profitable.

**Remarks:** The acquisition of all shares of FKRMM includes the acquisition of FKRM and GCB’s shares. In 2016, FKRM generates the majority of revenue of 85.55% of all FKRMM revenues. (information from FKRMM, FKRM and GCB’s consolidated financial statement for the 12-month ended January 31, 2017 reviewed by KPMG). The weaken of Malaysian ringgit in 2016 resulted in higher of cost for importing, therefore GCB, which is shoe distributor, has a loss from operation. However, both FKRM and GCB employ same group of employees and use the same warehouses for distribution, therefore it is not possible to separate the business of these two companies. Moreover, both FKRM and GCB are the only distributors and do not have any ownership of the FKR brand and FKRMMs assets. Thereby, NDR intends to acquire all shares of FKRMM together with its subsidiaries which are FKRM and GCB.

- b) The Company does not have any policy to make a significant change in its major business. This business acquisition supports business development and results in higher profit which is good affect to the shareholders.
- c) The group of companies gained from acquisition of assets is qualified for listing on SET. The Company is able to comply with the requirement as follows:

Criteria	NDR (after the transaction is completed)
1. Directors, Management and Controlling parties are <ul style="list-style-type: none"> <li>i) possess qualifications and not possess any prohibited characteristics or any characteristics indicating a lack of appropriateness to be relied on to manage a company whose shares are publicly held in accordance with the relevant laws on securities and exchange or the Securities and Exchange Commission’s regulations;</li> <li>ii) not be a person who violates any rules, regulations, notifications, orders, board resolutions, listing agreements with the SET, as well as the required SET circulars, where such violation may have a material adverse effect on</li> </ul>	Directors, Management and Controlling parties are qualified as the requirement. NDR has verified the representative from CRSB, who will become directors after the transaction is completed, and found that the person has appropriate qualifications in accordance with the two criteria as per SEC regulations.

Criteria	NDR (after the transaction is completed)
the rights, benefits, or decision-making of any shareholders, investors, or change in securities prices	
2. One third of Directors are independent directors, at least 3 persons in total.	As of November 26, 2017, there are 7 directors. After transactions is completed, 8 directors are the Company's board of directors which 3 of them are independent directors and audit committee.
3. The listed company's auditor must be approved by SEC.	Grant Thornton Limited is still NDR's auditor which is in the list of SEC while Crowe Horwath is FKRMM's auditor.  After transaction is completed, Grant Thornton Limited, which is in the list of SEC, will be auditor for both NDR and FKRMM.
4. An internal control is in place as required by the announcement of Capital Market Advisory Board.	NDR has already set up an internal control as required by the announcement of Capital Market Advisory Board. As a result of the audit of the financial statements for the past accounting period of FKRMM, there was no significant notice from the auditor. However, after the transaction is completed, NDR will enter into the internal control of FKRMM in the normal practice of NDR.
5. Listed company and its subsidiary must not have conflicts of interests (including conflict of interests toward directors, management or major shareholders) as specified in the announcement of Capital Market Advisory Board.	After the transaction is completed, there is no conflict of interest between NDR and FKRMM even though their business is similar. FKRMM operates trading business which purchases motorcycle tires and tubes from NDR and sell products in Malaysia that are existing customers of FKRMM which support to NDR's core business. In addition, CRSB, which is the current shareholder of FKRMM and will acquire the shares of NDR after the transaction is completed, does not have any investment in the manufacturing and distribution of motorcycle tires and tires, rubber products including import and distribution of shoes and also no investments in other businesses that have conflict of interest with NDR.

Criteria	NDR (after the transaction is completed)
6. Listed company is qualified in terms of free float distribution, with no less than 150 retail shareholders who collectively hold no less than 15% of the company's' paid-up capital.	As of March 6, 2017, there are 1,970 retail shareholders in NDR which is equivalent to 33.78% of paid-up capital. After the transaction is completed and CRSB exercised warrant (NDR-W1), proportion of retail shareholders of NDR is still maintained accordance with SET requirements.
7. Listed company must provide provident fund in line with the Provident Fund Law.	NDR has set up a provident fund for its employees in accordance with the Provident Fund Act B.E. 2530 (1987) (as amended).

d) There is no significant change to the board of directors and the controlling power of the company, or the controlling shareholders. There is no change in management team of NDR. The management will be the same, but 1 representative from CRSB will be the director of NDR after the transaction is completed. Total amount of directors will become 8 persons. However, the representative of CRSB is not an executive who controls power in normal operation of NDR.

### 3.3 The Notification of Connected Transactions

The acquisition of FKRMM's wholly shares and issuance of new ordinary shares as a compensation of this transaction is categorized as connected transactions regarding to the Capital Market Supervisory Board Announcement TorChor 21/2551 about Rules on Connected Transactions and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected transactions B.E. 2546 and amended version ("the Notification of Connected Transactions"). After the transaction's completion, CRSB will hold NDR's ordinary shares for 20.31% of paid-up capital and appoint representative, Mr. Dato' Marco Low Peng Kiat (Dato' Marco Low"), to be NDR's director. In addition, the size of transaction equals to 510.92 million baht or 118.53% of the Company's NTAAs of September 30, 2017. The stated value is more than 20 million baht and more than 3% of net tangible assets. So the Company needs an approval of connected transactions from shareholders' meeting with the vote of not less than three-fourths of total votes of shareholders who attend and grant the right to vote. However, shareholders who have conflict of interest in this issue are excluded from the vote. The Company also needs to prepare the disclosure of information memorandum. In order to approve this connected transaction from shareholders, the Company is required to appoint Finnex Advisory Company Limited as the Independent Financial Advisor (IFA) who is approved by SEC and express an opinion on the transaction.

#### 4. Details of acquired assets

##### 4.1 Details of FKRMM

After the resolution of shareholders' meeting agreed to wholly acquire shares of FKRMM, NDR will purchase and transfer all FKRMM's business including assets, liabilities, rights, duties and responsibilities as of the date of business transfer. In addition, 20,000,000 ordinary shares of FKRMM are included which equal to 100% of registered and paid-up capital of FKRMM as detailed

<b><u>Company Name:</u></b>	Fung Keong Rubber Manufactory (Malaya) Sdn Bhd
<b><u>Date of Incorporation:</u></b>	November 17, 1939
<b><u>Address:</u></b>	332A-19, 19 <sup>th</sup> Floor, Plaza Ampang City, Jalan Ampang, 50450 Kuala Lumpur, Malaysia.
<b><u>Registered Capital:</u></b>	Registered capital      30,000,000 MYR Registered and paid-up capital      20,000,000 MYR
<b><u>Board of Directors:</u></b>	1) TAN SRI DATO' LOW KENG HUAT 2) LOW WEI CHOONG 3) DATO' MARCO LOW PENG KIAT 4) CHEONG CHEELENG 5) WONG FEE CHE

##### **Shareholders and portion of holding shares :**

Consistent Record Sdn. Bhd. ("CRSB") holds 20,000,000 ordinary shares or equals to 100% of paid-up capital

##### **Nature of Business:**

FKRMM started its business as motorcycle tire and tube manufacturer using high technology from Japan. In 2004, FKRMM decided to cease its business due to shortage of labor. As a result, FKRMM changed from motorcycle tire and tube manufacturer and distributor to be a company which having income from holding shares in other companies (Holding Company). FKRMM contacted NDR to produce and supply tire and tube to FKRMM and having FKRMM, which is subsidiary of FKRMM, as a distributor in Malaysia. In addition, FKRMM has another subsidiary named GCB Trading Sdn. Bhd. ("GCB") which is show importer and distributor. FKRMM and GCB have 4 distribution warehouses located in Klang, Butterworth, BatuPahat and Ipoh to distribute goods to more than 79 distributors in Malaysia. By having distribution centers located in various cities, FKRMM has a competitive advantage above the competitors. In addition, the brand is well known in Malaysia because it is manufactured under Japanese technology so it can be sold at higher price than its competitors.

### Subsidiary of FKRMM

At present, FKRMM consists of 4 subsidiaries which are FKR Realty Sdn. Bhd. which is real estate development business and AIR Pte. Ltd. which having income from holding shares in other companies (Holding Company). FKRMM will sell the above 2 subsidiaries before NDR will acquire all shares of FKRMM. The acquisition of all shares of FKRMM will include the purchase of shares of two other subsidiaries of FKRMM which are FKRMM and GCB. Details are as follows:

**Company Name:** FKR Marketing Sdn. Bhd. (“FKRM”)

**Address:** 332A-19, 19<sup>th</sup> Floor, Plaza Ampang City, Jalan Ampang, 50450 Kuala Lumpur, Malaysia.

**Registered Capital:** Registered capital 4,000,000 MYR  
Registered and paid-up capital 3,000,000 MYR

**Par Value:** 1 MYR per share

**Board of Directors:**

- 1) WONG FEE CHE
- 2) NG CHING ENG
- 3) DATO’ MARCO LOW PENG KIAT
- 4) CHEONG CHEE LENG

**Shareholders’ List :** FKRMM’ owned 3,000,000 shares or equals to 100% of paid-up capital

**Nature of Business:** Distributor of tire and tube for bicycle and motorcycle under FKR brand which produced by NDR since 2004.

**Company Name:** GCB Trading Sdn. Bhd. (“GCB”)

**Address:** 332A-19, 19<sup>th</sup> Floor, Plaza Ampang City, Jalan Ampang, 50450 Kuala Lumpur, Malaysia.

**Registered Capital:** Registered capital 3,000,002 MYR  
Registered and paid-up capital 3,000,002 MYR

**Par Value:** 1 MYR per share

**Board of Directors:**

- 1) WONG FEE CHE
- 2) NG CHING ENG
- 3) DATO’ MARCO LOW PENG KIAT
- 4) CHEONG CHEE LENG

**Shareholders’ List :** FKRMM’ owned 3,000,002 shares or equals to 100% of paid-up capital

**Nature of Business:** Importer and distributor of student shoes under ALL AMERICAN brand

### Financial Highlights

- 1) FKRMM's financial highlights (Balance sheet) for the separated financial statement of FKRMM, FKRMM and GCB for the 12-month ended January 31, 2017 after conducted due diligence reviewed by KPMG as follows

:

Statement of financial position	FKRMM		FKRM		GCB	
	Million MYR	Million THB	Million MYR	Million THB	Million MYR	Million THB
Cash and cash equivalents	56.01	451.15	27.03	217.72	11.23	90.46
Land and building	14.83	119.45	1.35	10.83	0.12	0.93
Total assets	70.84	570.60	28.37	228.51	11.35	91.42
Current liabilities	21.16	170.44	5.66	45.62	6.82	54.91
Non-current liabilities	0.03	0.24	0.13	1.07	0.00	0.00
Total liabilities	21.19	170.68	5.80	46.69	6.82	54.91
Issued and paid-up capital	20.00	161.10	3.00	24.16	3.00	24.16
Retained earnings	29.65	238.82	19.57	157.63	1.54	12.40
Total shareholders' equity	49.65	399.92	22.57	181.80	4.54	36.57

- 2) FKRMM's financial highlights (balance sheet) for the consolidated financial statement for the 12-month ended January 31, 2017 (which include the financial statements of 2 other subsidiaries are FKRMM and GCB) after conducted due diligence reviewed by KPMG as follows :

Statement of financial position	Million MYR	Million THB
Cash and cash equivalents	16.29	131.23
Land and building	16.29	131.23
Total assets	84.51	680.68
Current liabilities	20.81	167.61
Non-current liabilities	0.17	1.34
Total liabilities	20.98	168.95
Issued and paid-up capital	20.00	161.10
Retained earnings	43.53	350.63
Total shareholders' equity	63.53	511.73



- 3) FKRMM's financial highlights (Income Statement) for the separated financial statement of FKRMM, FKRMM and GCB for the 12-month ended January 31, 2017 after conducted due diligence reviewed by KPMG as follows :

Unit: Million MYR

Income statement	7 months (as of 31 Aug 2017)			FY 2016 (as of 31 Jan 2017)			FY 2015 (as of 31 Jan 2016)			FY 2014 (as of 31 Jan 2015)		
	FKRMM	FKRM	GCB	FKRMM	FKRM	GCB	FKRMM	FKRM	GCB	FKRMM	FKRM	GCB
Revenue from sales	26.90	34.43	3.57	48.25	62.88	9.50	47.00	63.01	10.05	50.44	66.54	12.52
Other revenue	15.35	-	-	11.13	-	-	6.88	-	-	7.00	-	-
Total revenue	42.24	34.43	3.57	59.38	62.88	9.50	53.88	63.01	10.05	57.44	66.54	12.52
Cost	-26.83	-25.84	-2.83	-47.98	-44.35	-7.53	-46.72	-45.26	-7.75	-50.29	-40.80	-9.46
Interest expenses	-0.03	-0.06	0.00	-0.06	-0.10	-0.05	-0.06	-0.11	-0.04	-0.09	-0.12	-0.04
Selling expenses	-0.05	-2.09	-0.24	-0.10	-4.03	-0.46	-0.03	-3.59	-0.52	-0.13	-6.48	-0.71
Administrative expenses	-11.39	-3.76	-0.95	-2.06	-6.38	-1.91	-2.22	-6.06	-1.72	-2.07	-9.70	-1.98
Total expenses	-38.30	-31.75	-4.02	-50.20	-54.86	-9.95	-49.03	-55.02	-10.03	-52.58	-57.10	-12.19
Profit (Loss) before tax expenses	3.95	2.68	-0.45	9.18	8.03	-0.44	4.85	7.99	0.02	4.86	9.44	0.33
Tax expenses	-0.20	-0.65	0.00	-0.52	-2.06	-0.15	-0.56	-1.70	0.00	-0.57	-2.90	0.06
Net profit (Loss)	3.74	2.03	-0.45	8.66	5.96	-0.59	4.29	6.29	0.02	4.29	6.54	0.39

Unit :Million Baht

Income statement	7 months (as of 31 Aug 2017)			FY 2016 (as of 31 Jan 2017)			FY 2015 (as of 31 Jan 2016)			FY 2014 (as of 31 Jan 2015)		
	FKRMM	FKRM	GCB	FKRMM	FKRM	GCB	FKRMM	FKRM	GCB	FKRMM	FKRM	GCB
Revenue from sales	216.65	277.33	28.76	388.64	506.52	76.52	378.58	507.52	80.97	406.28	535.97	100.86
Other revenue	123.60	0.00	0.00	89.65	0.00	0.04	55.42	0.00	0.00	56.38	0.00	0.00
Total revenue	340.25	277.33	28.76	478.29	506.52	76.56	433.99	507.52	80.97	462.67	535.97	100.86
Cost	-216.11	-208.14	-22.80	-386.47	-357.23	-60.65	-376.32	-364.57	-62.46	-405.08	-328.61	-76.20
Interest expenses	-0.24	-0.48	0.00	-0.48	-0.81	-0.42	-0.48	-0.89	-0.31	-0.72	-1.00	-0.29
Selling expenses	-0.41	-16.83	-1.99	-0.81	-32.47	-3.69	-0.24	-28.89	-4.22	-1.05	-52.20	-5.75
Administrative expenses	-91.74	-30.29	-7.63	-16.59	-51.37	-15.36	-17.88	-48.83	-13.83	-16.67	-78.16	-15.95
Total expenses	-308.51	-255.74	-32.42	-404.35	-441.88	-80.12	-394.93	-443.18	-80.82	-423.52	-459.97	-98.19
Profit (Loss) before tax expenses	31.74	21.59	-3.66	73.94	64.64	-3.56	39.07	64.34	0.14	39.15	76.00	2.68
Tax expenses	-1.62	-5.24	0.00	-4.19	-16.60	-1.18	-4.51	-13.69	0.00	-4.59	-23.33	0.47
Net profit (Loss)	30.12	16.35	-3.66	69.75	48.04	-4.74	34.56	50.65	0.14	34.56	52.68	3.15

- 4) FKRMM's financial highlights (Income Statement) for the consolidated financial statement for the 12-month ended January 31, 2017 (which include the financial statements of 2 other subsidiaries are FKRMM and GCB) after conducted due diligence reviewed by KPMG as follows :

Income statement	7 months (as of 31		FY 2016 (as of 31 Jan		FY 2015 (as of 31 Jan		FY 2014 (as of 31 Jan	
	สิ้นรังสิต มกราคม	สิ้นบาท	สิ้นรังสิต มกราคม	สิ้นบาท	สิ้นรังสิต มกราคม	สิ้นบาท	สิ้นรังสิต มกราคม	สิ้นบาท
Revenue from sales	38.25	308.08	73.50	592.06	73.93	595.48	79.87	643.36
Other revenue	0.01	0.10	0.22	1.77	0.17	1.35	0.07	0.56
Total revenue	38.26	308.18	73.72	593.83	74.10	596.83	79.94	643.92
Cost	-28.85	-232.34	-52.73	-424.75	-53.60	-431.75	-57.27	-461.27
Interest expenses	-0.07	-0.56	-0.17	-1.36	-0.17	-1.35	-0.18	-1.41
Selling expenses	-2.38	-19.20	-4.59	-36.96	-4.14	-33.33	-4.20	-33.79
Administrative expenses	-3.88	-31.23	-6.70	-53.95	-6.34	-51.07	-6.68	-53.77
Total expenses	-35.18	-283.33	-64.19	-517.02	-64.25	-517.50	-68.33	-550.24
Profit (Loss) before tax expenses	3.09	24.85	9.54	76.80	9.85	79.32	11.63	93.71
Tax expenses	-0.85	-6.81	-2.73	-21.95	-2.26	-18.20	-3.41	-27.48
Net profit (Loss)	2.24	18.04	6.81	54.85	7.59	61.12	8.22	66.23

**Remark :**

- 1) As of August 31, 2017, FKRMM has no obligation as per due diligence report prepared by KPMG.

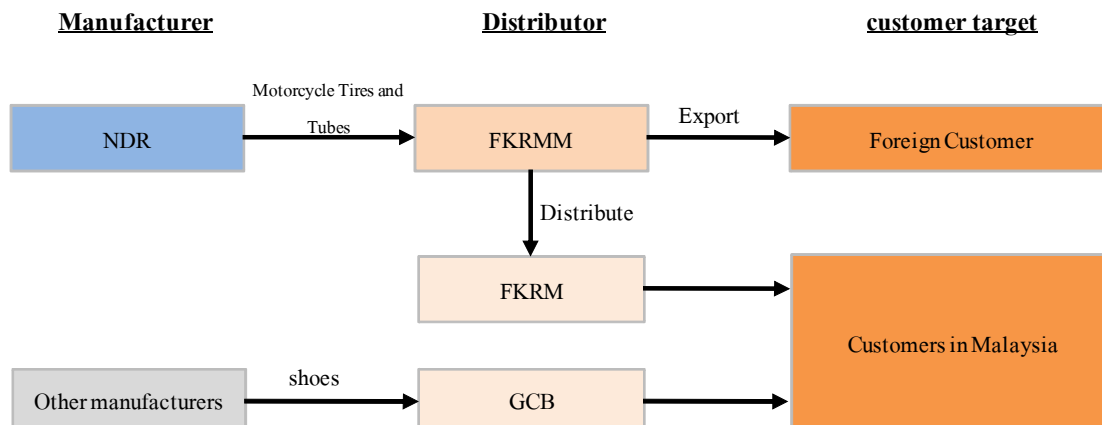
**4.2 NDR's detail after the shares acquisition of non-listed company and FKRMM becomes the Company's subsidiary.**

After the shares acquisition of FKRMM, NDR continues running the existing business which is producing and distributing motorcycle tires and tubes and shoes. The existing management team will mainly operate FKRMM. The 1 executive and 2 directors will be appointed as the representative in FKRMM.

However, there is no change in management team of NDR. The management will be the same, but 1 representative, Mr. Dato' Marco Low Peng Kiat ("Dato' Marco Low"), from CRSB will be the director of NDR. However, the representative of CRSB is not an executive who controls power in normal operation of NDR. NDR will inform SET after appointed the new director.

However, there is no change in management team of NDR. The management will be the same, but 1 representative, Mr. Dato' Marco Low Peng Kiat ("Dato' Marco Low"), from CRSB will be the director of NDR. The representative of CRSB is not an executive who controls power in normal operation of NDR. NDR will inform SET after the appointment of the new director is completed.

Therefore, after the transaction is completed, details of the business structure as follows



Therefore, after the transaction is completed, details of the Board of Directors are as follows

#### Board of Director

Name list of Board of directors	Position
1. Mr. PongsakSwadwan	Chairman of Board of Director
2. Mrs. NittayaSamrittivanicha	Director
3. Dr .Sirada Jarutakanon	Independent Director
4. Mr.Teerasak Sawangnet	Independent Director
5. Mr.KovitKristhanin	Independent Director
6. Mr. Chaiyasit Samrittivanicha	Director/Managing Director
7. Mrs. Thanyarat Samrittivanicha	Director
8. Mr. Dato' Marco Low Peng Kiat ("Dato' Marco Low")	Director ( <b>Addition</b> )

#### Shareholder Structure

Shareholder	Before transaction *		After transaction *		As of NDR-W1 exercise date at June 15, 2018**		As of NDR-W1 last exercise date at Dec 22, 2018***	
	Shares	%	Shares	%	Shares	%	Shares	%
1. Group of Samrittivanicha Family								
1.1Mr. Chaiyasit Samrittivanicha	66,216,500	30.68	66,216,500	24.45	70,216,500	23.34	70,216,500	23.32
1.2Mrs. Nitaya Samrittivanicha	63,076,100	29.22	63,076,100	23.29	68,076,100	22.63	68,076,100	22.61
1.3Mrs. Thunyarat Samrittivnaicha	14,252,000	6.60	14,252,000	5.26	15,252,000	5.07	15,252,000	5.07
2. CRSB	-	-	55,000,000	20.31	75,000,000	24.93	75,263,259	24.99
3. Other shareholders	72,305,400	33.50	72,305,400	26.70	72,305,400	24.03	72,305,400	24.01
Total	215,850,000	100.00	270,850,000	100.00	300,850,000	100.00	301,113,259	100.00

**Remark:** \*Information as of latest closing book at April 27, 2017 plus the increasing amount from exercise the warrant at June 16, 2017.

\*\* Samrittivanicha Family shall exercise 10,000,000 units of warrant and CRSB shall exercise 20,000,000 units of warrant.

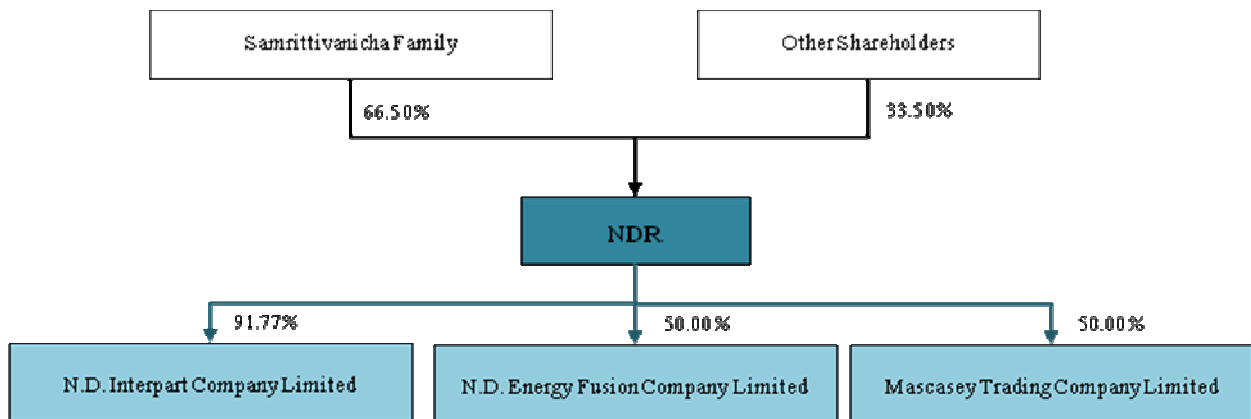
\*\*\* As earlier agreed, CRSB able to hold NDR shares not more than 25% of paid-up capital. Therefore, if CRSB is the only one who converts NDR-W1 in the final exercise warrant day, which will be held on December 22, 2018, CRSB can convert only 263,259 units of NDR-W1.

\*\*/\*\* However, the shareholder structure may be changed depending on the exact amount of warrant, other than warrant holding by Samrittivanicha Family and CRSB, shall be exercised consideration, criteria used in determining value of consideration and methods and conditions of payment.

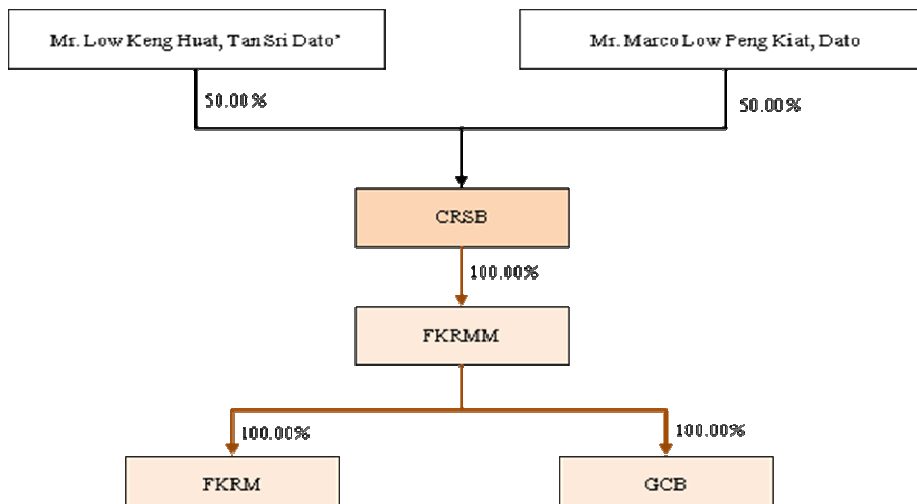
After allocation and issuance of new ordinary shares including exercise warrant of NDR-W1, CRSB do not require to do offer tender as mentioned in the Capital Market Supervisory Board Announcement TorJor12/2554

Re: Rules, procedure and conditions on Securities Acquisition for Business Takeovers (and its amendment).

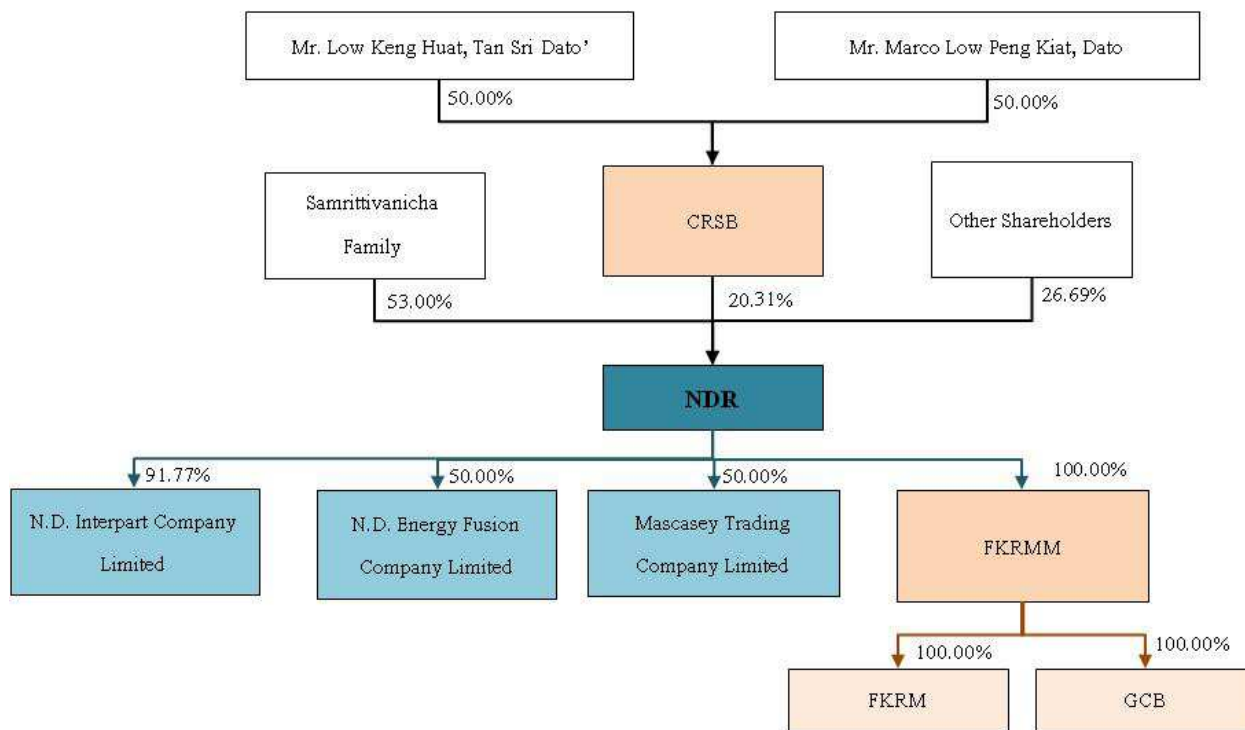
#### NDR's Shareholder Structure before Transaction



#### FKRMM's Shareholder Structure before Transaction



### NDR Company Structure after Issuance of New Ordinary Shares to CRSB



## 5 Total Value of the Consideration and Basis Used to Determine the Value of Consideration

### 5.1 Criteria used in determining value of consideration

The value of consideration at 53,000,000 MYR is the negotiated value between NDR and CRSB which is considered several factors including NDR share price which is trade during August 22, 2017 to September 12, 2017, including the growth opportunity to sell products in Malaysia and to protect our current 25% market share in Malaysia market which we currently sell through FKRM. However, for confirmation that the consider valuation is reasonable and favorable to the interest of the company and existing shareholders, we compare the value of consideration with the following calculation criteria:

#### 5.1.1 P/E Ratio

As of negotiating date, P/E of NDR is at 16.78 times and average P/E ratio of the same business (including NDR) which is registered in SET is at 12.80 times. Then, we calculate the P/E by using the agreed value at 53,000,000 MYR which is equivalent to 416,537,120 THB divide by profit after tax of 2016 (Yearly financial statement at January 2017) at 6,810,000 MYR which is equivalent to 54,850,000. P/E of FKRM is at 7.78 times. To ensure our assumption, we have also calculated the P/E with the estimated profit after tax of FKRM of 2017 (Yearly financial statement at January 2018) which is estimated by FKRM management that the profit after tax will be at 6,000,000 MYR or equivalent to 48,328,000 THB. The P/E will be at 8.83 times.

From the above calculation, we can see that when we compare with P/E criteria, the consideration value at 53,000,000 MYR which is equivalent to 416,537,120 THB will results the lower P/E than both NDR's P/E and average P/E of business in the same industry.

#### 5.1.2 Discounted Cash flow Valuation.

The value derived using the free cash flow to firm ("FCFF") method is equal to the present value of the Target's expected cash flows discounted at the weighted average cost of capital ("WACC").

- 1) Adjustment on Earnings before interest, Tax, depreciation and amortization ("EBITDA") estimated by the management of FKRMM.

On a prudent basis, EBITDA estimated by the management of FKRMM is adjusted at growth rate of 2.50% (from FYE 2020) (referred to expected 2017 inflation rate by Economic Report 2016/2017, Ministry of Finance, Malaysia) set out as follow;

Unit : Million MYR

FYE 31 January	2019	2020	2021	2022	2023
<i>Estimated by the management of the Target</i>					
EBITDA	8.90	9.60	10.40	11.20	11.50
Growth rate	-	7.40%	8.20%	7.60%	2.70%
<i>Sensitivity on EBITDA</i>					
Adjusted EBITDA	8.90	9.10	9.40	9.60	9.80
Growth rate	-	2.50%	2.50%	2.50%	2.50%

- 2) Estimated free cash flow to firm ("FCFF")

The management further deducted the adjusted EBITDA with the estimated maintainable CAPEX and to arrive at the estimated FCFF as follow;

Unit : Million MYR

FYE 31 January	2019	2020	2021	2022	2023
Adjusted EBITDA	8.90	9.10	9.40	9.60	9.80
Less: Maintainable CAPEX	-0.50	-0.50	-0.50	-0.50	-0.50
Less: Tax	-2.10	-2.20	-2.20	-2.30	-2.40
<b>Estimated FCFF</b>	<b>6.30</b>	<b>6.40</b>	<b>6.60</b>	<b>6.80</b>	<b>7.00</b>

- 3) Discounted Cash Flow which WACC equals to 8.1%. (WACC means the average financial cost of loan and capital which calculated by (loan ratio x interest ratio) + (capital ratio x return on equity). FKRMM's loan ratio equals to 0.096 and capital ratio equals to 0.903. FKRMM's interest is referred after tax. Return on equity is the average return of Malaysian Stock Exchange.

Unit : Million MYR

year	FYE 31 January	FCFF	Discounted FCFF @ WACC	Debt value as at 31 August 2017	Equity value
1	2019	6.30	5.80		
2	2020	6.40	5.50		
3	2021	6.60	5.20		
4	2022	6.80	5.00		
5	2023	7.00	4.70		
Terminal value (perpetual growth)		99.00	67.10		
		132.10	93.30	9.00	84.30

We calculate discounted cash flow of FKRMM to find out the valuation of FKRMM, the valuation of FKRMM is at 84,300,000 MYR which is equivalent to 679,019,640 THB. From the above calculation, we can see that the consideration value is 37% discount to the valuation of FKRMM.

## 5.2 The detail of payment

NDR will make a payment in order to acquire FKRMM for 53,000,000 MYR or equals to 416,537,120 THB. The detail of payment is as following:

**Part 1** NDR issues and offers new ordinary shares to the private placement who is CRSB for 55,000,000 shares or equals to 20.31% of total paid-up capital at offering price of 4.00 THB per share, in total of 28,600,000 MYR or equals to 220,000,000 THB.

However, the 4.00 THB per new ordinary shares is the offering price which is offered to private placement and not offered at a discount regarding to the Capital Market Supervisory Board Announcement TorJor72/2558 because the offering price is no discount more than 10% from the market price.

The determining value of consideration with 55,000,000 new ordinary shares at par value of 1.00 THB per share is in exchange of offering price of 4.00 THB per share. As mutually agreed between NDR and CRSB, NDR indicates the price by using 15-day weighted average price of Market for Alternative Investor ("mai") before September 13, 2017 (the date of negotiation between NDR and CRSB which is between August 22, 2017 and September 12, 2017), the calculated price is 3.89 THB per share. Since the offering price is 4.00 THB per share which is higher

than the above weighted average price, therefore the offering price of 4.00THB per share is considered as appropriate.

The issuing new ordinary shares to private placement in exchange to the shares acquisition payment is the case which determines offering price clearly and needs an approval from shareholders' meeting with the vote of not less than three-fourths of total votes of shareholders who attend and grant the right to vote. However, shareholders who have conflict of interest in this issue are excluded from the vote. The Extraordinary General Meeting no.1/2018 will be held on January 18, 2018 and must be approved by SEC before issuing new ordinary shares in exchange to the acquisition payment.

**Part 2** NDR makes cash payment totally 24,400,000 MYR which is equivalent to 196,537,120 THB (at the exchange rate of 8.0548 THB per MYR on November 24, 2017 which prior to Board of Director's Meeting of the Company).by installment as follows

1<sup>st</sup> payment Cash payment for 4,200,000MYR or equals to 33,830,160THB within 1 month from the date of shareholders' resolution

2<sup>nd</sup> payment Cash payment for 12,400,000MYR or equals to 99,879,520THB within June 15, 2018

3<sup>rd</sup> payment Cash payment for 3,900,000MYR or equals to 31,413,720THB within June 30, 2019

4<sup>th</sup> payment Cash payment for 3,900,000MYR or equals to 31,413,720THB within December 31, 2019

Due to CRSB will become one of major shareholder of NDR, CRSB has no intention to allow NDR to have too much debt to pay cash for this transaction. This allows NDR to use operating cash flow to pay for 2 years period.

### 5.3 Other condition

Significant conditions to be implemented and completed prior to Completion Date are as follows:

- 1) Expert is required to do the legal due diligence and financial due diligence reports for FKMM, FKRM and GCB.

**Status:** Legal due diligence and Financial due diligence were completed on November 26 and December 12, 2017 respectively.

- 2) NDR, as a Purchaser, must obtain approval from both Board of Directors' Meeting and EGM Meeting of Shareholders prior to complete this acquisition.

**Status:** Board of Directors' Meeting already approved the above transaction on November 26, 2017. NDR will arrange EGM Meeting calling for the approval of the above on January 18, 2018.

- 3) CRSB, as a Seller, must obtain approval from Board of Directors' Meeting prior to complete this acquisition.

**Status:** In process and expect to be completed within January 15, 2018.

- 4) Written consent is required from financial institution of FKMM, FKRM and GCB prior to complete this acquisition.



**Status:** On December 11, 2017, FKRMM issued letter of consent to 3 creditor financial institutions requesting for approval to enter into transaction.

- 5) Written consent is required from related party (if any) of FKRMM, FKRM and GCB such as Government Agencies and supplier.

**Status:** No related party of FKRMM, FKRM and GCB.

- 6) FKRMM must review employment contracts of Mr. Anthony John, Mr. Gan Kam Fatt and Mr. Lim Tow Fong on the term and conditions satisfactory to NDR as the Purchaser.

**Status:** FKRMM has resumed the employment contract for all three employees on November 29, 2017.

- 7) FKRMM must sell or transfer all ordinary shares in FKR Realty Sdn Bhd. and AIR Pte. Ltd. before Completion Date and deliver the above completion documents to NDR.

**Status:** FKRMM and the purchaser are under negotiation process of share price which expect to be completed before Completion Date.

**Significant conditions to be implemented and completed after Completion Date are as follows:**

- 1) In FKRMM's shares acquisition, MYR is used to determine value of consideration.
- 2) The existing major shareholders (Samrittivanicha's family) will sell 32,000,000 units of NDR-W1 to CRSB within 1 month after Completion Date under the condition that CRSB will convert NDR-1 of 20,000,000 units and major shareholders will convert 10,000,000 units on exercise dated June 15, 2018 in order to maintain the shareholding of major shareholders only, but not part of a concert party. As for the remaining 12,000,000 units of NDR-W1, it depends on CRSB how many shares to be exercised on December 22, 2018. However, after conversion of NDR-W1 to the ordinary share of NDR, the proportion of CRSB must less than 25%.

In case CRSB or major shareholders do not convert NDR-W1 on June 15, 2018, this will affect higher interest burden to NDR because there is no money from exercising to convert the shares to repay to the bank, as a result, the loan will be changed to long-term loan. If a party suffering the damage due to the other party's failure to comply with any of the provisions of the agreement, the suffering party has its right to request for indemnification for such damage.

- 3) If the net asset value of the target company (FKRMM) is less than 38,000,000 MYR for the 12-month ended January 31, 2018 and/or generates less net profit than 85% of projected profit which is 6,000,000 MYR for the 12-month ended January 31, 2018. Total transaction value of 53,000 000 MYR will be deducted according to the value of the asset less than agreed and/or the amount of the decline of net profits from the projection and
- 4) After the transaction is completed, CRSB will appoint one representative as NDR's director, Mr. Dato' Marco Low Peng Kiat ("Dato' Marco Low"). However, the above representative from CRSB is not an executive who controls power in normal operation of NDR. The appointment of such director shall be effective only after NDR has purchased all FKRMM's shares.

- 5) In case that NDR is unable to pay 3<sup>rd</sup> and 4<sup>th</sup> payment in time, CRSB may inform NDR to take money from the sale of motorcycle tires and tubes (FKR brand only) in FKRRM's inventory to pay the remaining balance.

## 6 Value of acquired assets

The acquired asset from this transaction is FKRRM's newly issued share for 20,000,000 shares at par value of 1.00 MYR or equals to 100% of paid-up capital. The acquired asset included cash and assets which FKRRM's equity book value is 63,530,000 MYR or equals to 511,721,444THB.(at the exchange rate of 8.0548 THB per MYR on November 24, 2017 which prior to Board of Director's Meeting of the Company) FKRRM's equity book value is calculated from pro forma consolidated financial statement of FKRRM, FKRM and GCB which prepared by KPMG as of January 31, 2017.

FKRRM and its subsidiaries have been granted licences from both Government agencies and other agencies which obtained for business purposes. The details are as follows:

Approver	Licence No.	Period	Purpose	Status
Majlis Perbandaran Klang (Klang Municipal Council)	Business and Advertising Licence No. 01010711 287020115	28 Dec 2016 - 31 Dec 2017	For tyre and tube storage	Already submitted renewal licence application and waiting for approval from the government.
Majlis Bandaraya Ipoh (Ipoh City Hall)	Business and Advertising Licence No. L0035516-01	01 Jan 2017 – 31 Dec 2017	For advertise	Already submitted renewal licence application and waiting for approval from the government.
Majlis Perbandaran Batu Pahat (Batu Pahat Municipal Council)	Business Licence No. L10002490	25 Jan 2017 – 31 Dec 2017	For tyre and shoe storage	Already submitted renewal licence application and waiting for approval from the government.
Majlis Perbandaran Batu Pahat (Batu Pahat Municipal Council)	Advertising Licence No. I10001888	25 Jan 2017 – 31 Dec 2017	Billboard bigger than 10sqm	Already submitted renewal licence application and waiting for approval from the government.

Approver	Licence No.	Period	Purpose	Status
Majlis Bandaraya Ipoh (Ipoh City Hall)	Business and Advertising Licence No. L0035516-01	01 Jan 2017 – 31 Dec 2017	Warehouse / Wholesale	Already submitted renewal licence application and waiting for approval from the government.
Majlis Perbandaran Seberang Perai (Seberang Perai Municipal Council)	Warehouse Licence No. 35/230480/1028	16 Dec 2017 – 12 Jan 2018	Warehouse of rubber products	Already submitted renewal licence application and waiting for approval from the government.

In the event that FKRMM, FKRMM and/or GCB was denied to renew the above licence, NDR may collect the goods at the warehouse of FKRMM's headquarters which have sufficient storage area, prior to distribute directly to the distributors. As FKRMM, FKRMM and GCB have started business operation for a long time and their licences are renewed every year, therefore it is expected that the renewal licence applications submitted to the Government agencies should not have any problem in permitting for 2018. While waiting for permission from the Government agencies, FKRMM, FKRMM and GCB can do its business as usual because there are evidences of applying for a renewal licence from the Government agencies.

#### 7 Benefits which the Company expects to receive

- i) To increase the financial security of NDR due to FKRMM currently has gross margin and net profit at high level.
- ii) To increase NDR opportunity to expand its business as there will be 2 brands in Malaysia market i.e. FKR and ND Rubber which will enable NDR to get market share in both premium and mass market.
- iii) To reduce the risk of losing market share in Malaysia as FKRMM will not switch to purchase product from other manufacturer.
- iv) To increase opportunity to mutually develop new products as FKRMM personnel has long term experience in tire and tube manufacturing under Japanese technology. Synergy of NDR and FKRMM will increase productivity of NDR.

#### 8 Source of fund and sufficient working capital

- 1) The Company will make a payment in acquiring wholly FKRMM for 28,600,000 MYR or equals to 220,000,000 THB (the exchange rate is 0.13 MYR per THB which is 15 days average exchange rate before the negotiation date between NDR and CRSB which is a period between August 18, 2017 and September 12, 2017. The exchange rate is referred from Malaysia National Bank) or equals to 52.82% of total transaction value. The payment will be made in form of issuing new ordinary shares to private placement for 55,000,000 shares at the offer price of

4.00THB per share instead of paying cash. As a result, the Company does not need to find source of funds and no interest cost.

- 2) The remaining balance of 47.18 % of total transaction value will be paid in cash for 4 installments as details shown in item 5, in total of 24,400,000 MYR or equals to 196,537,120 THB.(at the exchange rate of 8.0548 THB per MYR on November 24, 2017 which prior to Board of Director's Meeting of the Company) Source of funds are mainly from 1) NDR's working capital for 68,537,120 baht or equals to 16.45 % and 2) Loans from financial institution for 128,000,000 THB or equals to 30.73% of value of FKRMM's shares acquisition. NDR has discussed with the financial institution for such loan which will be approved by January 17, 2018.

If loans from financial institution and total liabilities are included in the consolidated financial statement for the 9-month ended September 30, 2017, D/E ratio will increase from 0.64 Times to 0.83 Times which is not significantly high level and not affect the business's operation.

## 9 Details of issued shares as a payment

The Company will make a payment in acquiring FKRMM by issuing new ordinary shares to private placement for 55,000,000 shares at the offer price of 4.00THB per share and not offered at a discount regarding to the Capital Market Supervisory Board Announcement TorJor72/2558 because the offering price is no discount more than 10% from the market price even there is some discounts on it. (Market price calculates from the weighted average of trading price in mai during the past 15 working days before the resolution of Board of directors which is between November 6, 2017 and November 24, 2017 i.e. 3.73 THB per share). However, on the date of issuing new shares (Offering date) where expects to be in February 2018, if the re-calculation of offering price is at a discount of more than 10% from market price (calculated from the weighted average of trading price during the past 15 working days before the date of offering), the connected person with the Company needs to comply with silent period rule. Silent period will be applied for 1 year.

## 10 Details and interest boundary of connected person.

After the transaction's completion, CRSB will hold NDR's ordinary shares for 20.31% of paid-up capital and appoint representative to be NDR's director. But the representative of CRSB is not an executive who controls power in normal operation of the Company.However, the shareholder structure will be changed subjecting to the amount of the warrant that may be exercised by CRSB and other warrant holders on the exercise date at December 15, 2017, June 15, 2018 and December 22, 2018 (the last exercise date).

The Company needs an approval from shareholders' meeting with the vote of not less than third-fourth of total votes of shareholders who attend and grant the right to vote. However, shareholders who have conflict of interest in this issue are excluded from the vote. However, CRSB is not the shareholder yet and has no rights to vote in this meeting, so there is no shareholder who has conflict of interest in this meeting.

## 11 Opinion of NDR's Board of Directors

NDR's Board of Directors have considered and studied all information and opinioned that although most of the revenue in 2016, representing 85.55% of FKRMM's total revenue was came from FKRMM which is subsidiary (information from FKRMM, FKRMM and GCB's consolidated financial statement for the 12-month ended January 31, 2017 audited by KPMG), FKRMM is only a distributor and no ownership of FKR brand and assets, therefore, NDR's Board of Directors considered that FKRMM's shares acquisition which consists of another 2 subsidiaries i.e. FKRMM and GCB, is appropriate and will be benefit to NDR and shareholders because:

- 1) The Board considers the valuation of FKRMM at 53,000,000 MYR which equivalent to 416,537,120 THB with P/E comparison and Discounted Cash Flow which board considers that they are appropriate method. The result of the calculation shows that the calculated P/E is lower than NDR's P/E and lower than the average P/E of the company in the same industry too. The calculated valuation from Discounted Cash Flow method also results at higher value than consideration value. So board considers that the consideration value is appreciate.
- 2) For the determination of remuneration for entering into the transaction under item 1) is divided into 2 method. First payment will be done by issuing 55,000,000 new ordinary shares at 4.00THB per share which is value at 28,600,000 MYR (equivalent to 220,000,000 THB). The reference exchange rate is 0.13 MYR per THB which is 15 days average exchange rate before the negotiation date between NDR and CRSB which is a period between August 18, 2017 and September 12, 2017. The exchange rate is referred from Malaysia National Bank. The above exchange rate is set in order to keep the ringgit constant. As the offered price is not that low and does not result in any change in the equity of major shareholders and the controlling person of NDR. Moreover, issuance of new ordinary shares instead of paying some cash, will result in low financial burden of NDR. Therefore, the issuance of new ordinary shares is considered as appropriate.

The remaining balance of 47.18 % of total transaction value will be paid in cash within 2 years, in total of 24,400,000 MYR or equals to 196,537,120 THB which will not much affect the liquidity of NDR's cash flow and cash after conversion of NDR's remaining warrants. Therefore, the payment of cash is considered as appropriated. Therefore, the Board considers that the above cash payment is appropriate.

- 3) Currently, FKRMM has high level of gross margin and net profit including FKR brand and strong distribution channel, therefore NDR financial status will grow accordingly. In addition, FKRMM has long term experience in tire and tube manufacturing which NDR can use this knowhow to develop its products which can be beneficial to NDR and its shareholders in long term.

### **The change of Board of Directors in 2 companies after the completion of transaction**

**NDR:** A director who is a representative from CRSB will be the director of NDR. However, the representative of CRSB is not an executive who controls power in normal operation of NDR.



บริษัท เอ็น.ดี.รีบเบอร์ จำกัด (มหาชน)

N.D. RUBBER PUBLIC COMPANY LIMITED

129 หมู่ 3 ถนนหนองซาก-พนัสนิคม ตำบลหนองอิฐ ตำบลหนองอิฐ อำเภอบ้านบึง จังหวัดชลบุรี 20220

129 Moo 3 Nongchak-Phanasnikom Rd., Nongreiron, Banbueng, Chonburi, Thailand 20220 Tel. 038-160707 Fax. 038-160706



**FKRMM:** NDR will appoint 2 representatives to be the director of FKRMM and 1 representative to be the management team of FKRMM. There is 1 existing director of FKRMM. Thus, there are 3 people in the Board of Directors in total.

#### **The change in debt- to-equity ratio**

Debt-to-equity ratio of NDR after the FKRMM's acquisition will be increased to be 0.83 Times compared to the existing debt-to-equity ratio of 0.64 Times (Debt-to-equity ratio is computed from the consolidated financial statement ended September 30, 2017 and the latest financial statement of FKRMM ended January 31, 2017)

According to the preliminary information, Board of Directors agreed to propose this acquisition to shareholders. In addition, NDR appointed Finnex Advisory Co., Ltd. as an independent financial advisor to study this transaction and prepare report for the shareholder's consideration.

Besides, Board of directors provided additional opinion that the Company has disclosed all key information related to the transaction truly and completely in order to report information to shareholders and make sure that sufficient information are provided for shareholders' consideration. Nevertheless, the approval of this transaction is mainly from the shareholder's vote. The opinion of independent financial advisor, audit committee or Board of directors is not affected decision-making of shareholders.

#### **12 Opinion of audit committee and/or Directors who disagree with Board of directors' opinion**

Audit committees agreed with Board of directors' opinion and propose Board of directors' opinion in this asset's acquisition to shareholders accordingly

The Company hereby certified that the information contained in this report is true and complete in all respects.

Yours faithfully,

N.D. Rubber Public Company Limited

- *Chaiyasit Samrittivanicha* -

(Mr. Chaiyasit Samrittivanicha)

Managing Director

**Information memorandum regarding to the offering and allocation  
newly issued shares to specific investors (Private Placement) of  
N.D. Rubber Public Company Limited (Amended No.3)**

The Board of Director's meeting of N.D. Rubber Public Company Limited ("the Company" or "NDR") no. 5/2017 where held on November 26, 2017 has resolved to propose shareholders to consider and approve to purchase all share of Fung Keong Rubber Manufactory (Malaya) Sdn Bhd ("FKRMM") including signing related contracts. In addition, all assets and liabilities of FKRMM will be transferred to the Company including rights, duties, obligations and responsibilities as of the date of acquisition. The company also acquire 2 subsidiaries of FKRMM; FKR Marketing Sdn. Bhd. ("FKRM") and GCB Trading Sdn.Bhd. ("GCB") whose share is 100% held by FKRMM. The payment of 53,000,000 MYR or equals to 416,537,120 THB will be made to a FKRMM's shareholder who is Consistent Record Sdn Bhd ("CRSB"). The valuation is calculated by issuing 55,000,000 new ordinary shares which is value at 28,600,000 MYR (equivalent to 220,000,000 THB). The reference exchange rate is 0.13 MYR per THB which is 15 days average exchange rate before the negotiation date between NDR and CRSB which is a period between August 18, 2017 and September 12, 2017. The exchange rate is referred from Malaysia National Bank. The above exchange rate is set in order to keep the ringgit constant. Payment by cash valuation at 24,000,000 MYR which is equivalent to 196,537,120 THB at the exchange rate of 8.0548 THB per MYR on November 24, 2017 which prior to Board of Director's Meeting of the Company. The exchange rate is referred to the Bank of Thailand. (Remark: The exchange rate of 0.13 MYR per THB is used for payment of acquisition of FKRMM shares only. The exchange rate of 8.0548 THB per MYR is used for calculation of other transactions.)

The Board of Director's meeting has resolved to propose shareholders to consider and approve to acquire FKRMM. Shareholders are proposed to increase the Company's capital for 55,000,000 THB from the existing registered capital of 322,500,000 THB. New ordinary shares will be issued for 55,000,000 shares at par value of 1.00THB in order to support the allotment of capital increase to private placement and will be proposed to the Extraordinary General Meeting no.1/2018 which will be held on January 18, 2018.

The issuance and offering of new ordinary shares to specific investors (Private Placement) who are specific investors is an important issue. Therefore, the Company has prepared information memorandum which is significant to shareholders' decision regarding to the Capital Market Supervisory Board Announcement TorJor73/2558 about the list of information in Notice of Shareholders' meeting of listed company for approving of the issuance and offering of securities. Details are as follows

**1. Details of offering, determination and reasonableness of the offering price can determination of the market price.**

**1.1 Details of offering:**

The company shall issue 55,000,000 new ordinary shares and allocate to CRSB as a part of payment for acquire 100% share of FKRMM. The par value is 1.00 THB and the offering price is 4.00 THB which is the

price with no discount from the market price regarding to the Capital Market Supervisory Board Announcement TorJor72/2558. After allocation new ordinary share to CRSB who is exiting shareholder of FKRMM, CRSB will hold 20.31% of total paid up capital of NDR.

NDR's Shareholder structure after allocate new ordinary share to CRSB

Shareholder	Share amount	Proportion (%)
1. Samrittivanicha Family		
1.1 Mr. Chaiyasit Samrittivanihca	66,216,500	24.45
1.2 Mrs. Nitaya Samrittivanicha	63,076,100	23.29
1.3 Mrs. Thunyarat Samrittivanicha	14,252,000	5.26
2. CRSB	55,000,000	20.31
3. Other Shareholders	72,305,400	26.70
<b>Total</b>	<b>270,850,000</b>	<b>100.00</b>

The acquisition of FKRMM's wholly shares and issuance of new ordinary shares as a compensation of this transaction is categorized as connected transactions regarding to the Capital Market Supervisory Board Announcement TorChor 21/2551 about Rules on Connected Transactions and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected transactions B.E. 2546 and amended version ("the Notification of Connected Transactions"). After the transaction's completion, CRSB will hold NDR's ordinary shares for 20.31% of paid-up capital and appoint representative, Mr. Dato' Marco Low Peng Kiat (Dato' Marco Low"), to be NDR's director. In addition, the size of transaction equals to 510,920,000 THB or 118.53% of the Company's NTAs of September 30, 2017. The stated value is more than 20,000,000 THB and more than 3% of net tangible assets. So the Company needs an approval of connected transactions from shareholders' meeting with the vote of not less than three-fourths of total votes of shareholders who attend and grant the right to vote. However, shareholders who have conflict of interest in this issue are excluded from the vote. The Company also needs to prepare the disclosure of information memorandum. In order to approve this connected transaction from shareholders, the Company is required to appoint Finnex Advisory Company Limited as the Independent Financial Advisor (IFA) who is approved by SEC and express an opinion on the transaction.

## 1.2 Determination and reasonableness of the offering price

The determining value of consideration with 55,000,000 new ordinary shares at par value of 1.00THB per share is in exchange of offering price of 4.00THB per share. As mutually agreed between NDR and CRSB, NDR indicates the price by using 15-day weighted average price of Market for Alternative Investor ("mai") before September 13, 2017 (the date of negotiation between NDR and CRSB which is between August 22, 2017 and September 12, 2017), the calculated price is 3.89THB per share. Since the offering



price is 4.00THB per share which is higher than the above weighted average price, therefore the offering price of 4.00THB per share is considered as appropriate.

The offering of newly issued shares to CRSB is considered as the offering and allocation newly issued shares to specific investors (Private Placement), so the selling price is determined in shareholders' meeting regarding to the Capital Market Supervisory Board Announcement TorChor. 72/2558 Re: Approval for listed companies to issue newly-issued shares to the private placement. ("the Capital Market Supervisory Board Announcement TorChor. 72/2558) The Company does not only need an approval from shareholders, but also an approval from the Securities and Exchange Commission (SEC) regarding to the Capital Market Supervisory Board Announcement TorChor. 72/2558 before the issuance of new ordinary shares.

However, on the date of issuing new shares (Offering date) where expects to be in February 2018, if the recalculation of offering price is at a discount of more than 10% from market price (calculated from the weighted average of trading price during the past 15 working days before the date of offering), the connected person with the Company needs to comply with silent period rule. Silent period will be applied for 1 year.

### 1.3 Determination of the market price

Market price means the weighted average of trading price in Market for Alternative Investment during the past 15 working days before the resolution of Board of directors agreed to propose in Extraordinary General Meeting no.1/2018 in order to approve the acquiring transaction of FKRMM and offer new ordinary shares between November 6, 2017 and November 24, 2017 which equals to 3.73 THB per share

## 2. Objective of share issuance and investment plan

The Company will issue new ordinary shares in exchange of the acquisition of entire business of FKRMM. The Company will issue new ordinary shares for 55,000,000 shares at par value of 1.00THB per share. The offer price is 4.00THB per share or equals to 20.31% of issued and paid-up shares. The remaining balance will be paid in cash. Due to the company issue new ordinary shares as one part of the payment, so the company shall not receive any cash from this share issuance.

The Company decided to issue new ordinary shares in partial as a payment of FKRMM's acquisition for 55,000,000 shares in value of 220,000,000 THB or equals to 52.82% of total transaction value. Therefore, the Company does not need to pay all cash leading to more liquidity in internal working capital.

## 3. Criteria in capital increasing and allocate new ordinary share to specific person (Private Placement).

### 3.1 Criteria to select specific person.

The company consider to allocate the new 55,000,000 ordinary shares to the existing shareholder of FKRMM who is Consistent Record Sdn Bhd ("CRSB") at the value of 4.00THB per share which will be

total value of 220,000,000 THB for exchanging of the acquisition of entire business of FKRMM. The purpose of this transaction is as describe in the above.

#### 4. Specific investors who receive newly issued shares' allocation

**Company name :** Consistent Record Sdn Bhd (“CRSB”)

**Date of incorporation :** March 8, 2010

**Address :** 332A-19, Tingkat 19 Plaza Ampang City, Jalan Ampang, Kuala Lumpur Wilayah Persekutuan, Malaysia

**Board of directors :**

- 1) Mr. Low Keng Huat, Tan Sri Dato’
- 2) Mr. Marco Low Peng Kiat, Dato

**Registered capital :** 100,000 shares at par value of 1 MYR

**Paid-up capital :** 32 shares

**Shareholders' list :**

- 1) Low Keng Huat, Tan Sri Dato’ owned 16 shares or equals to 50% of paid-up capital
- 2) Marco Low Peng Kiat, Dato owned 16 shares or equals to 50% of paid-up capital

**Nature of business :**

- Investment in 19 Holding companies
- Investment in 14 property business companies
- Investment in 4 trading companies
- Investment in 6 companies which doing other business

The businesses that CRSB invested above do not involved in manufacturing and distribution of motorcycle tire, tube and rubber products including import and distribution of shoe or other business which have conflict of interest with NDR.

**Relationship with the Company :**

The business of FKRMM, who is owned by CRSB, is importing motorcycle tire and tube from NDR and distributing in Malaysia. FKRMM has ordered motorcycle tire and motorcycle tube from NDR since 2004. FKRMM has become NDR’s customer for more than 10 years. About 40% of NDR’s revenue came from FKRMM which is considered as the biggest customer of NDR.

After the transaction is completed, Consistent Record Sdn Bhd (“CRSB”) will hold NDR’s ordinary shares for 20.31% of paid-up capital and appoint the representative as the Company’s director even though the representative of CRSB is not an executive who controls power in normal operation of NDR. Therefore, this transaction is categorized as connected transactions regarding to the Capital Market Supervisory Board Announcement TorChor 21/2551 about Rules on Connected Transactions and Notification of the Board of Governors of the Stock Exchange

of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected transactions B.E.2546 and amended version (“the Notification of Connected Transactions”).

## 5. Effect from the allocation of newly issued shares to the specific investors

The issuance, offering and allocation of new ordinary shares to specific investors might affect price dilution and control dilution as follows

### - Price dilution

$$\begin{aligned}
 \text{Price dilution} &= \frac{\text{Pre-offering market price} - \text{Post-offering market price}}{\text{Pre-offering market price}} \\
 &= \frac{3.73 - 3.78}{3.73} \\
 &= -1.34\% \\
 \text{Post-offering market price} &= \frac{(\text{Paid-up shares} \times \text{Mkt price}) + (\text{PP shares} \times \text{PP price})}{\text{Paid-up shares} + \text{PP shares}} \\
 &= \frac{(215,850,000 \times 3.73) + (55,000,000 \times 4)}{215,850,000 + 55,000,000} \\
 &= 3.78 \text{ THB}
 \end{aligned}$$

Post-offering market price is calculated from the weighted average of trading price during the past 15 working days before the Board of directors’ meeting held on November 24, 2017 and the calculated price is between November 6, 2017 and November 24, 2017 which equals to 3.73THB per share (Reference from SETSMART in www.setsmart.com from SET).

Therefore, after the allocation of new ordinary shares to specific investors, price dilution is -1.43%

### - Control dilution

$$\begin{aligned}
 \text{Control dilution (Before NDR-W1 exercise)} &= \frac{\text{PP share}}{\text{Paid-up shares} + \text{PP shares}} \\
 &= \frac{55,000,000}{215,850,000 + 55,000,000} \\
 &= 20.31\%
 \end{aligned}$$

Control dilution After exercising of NDR-W1 under condition of major shareholder shall exercise 10,000,000 units of warrant and CRSB shall exercise 20,000,000 units of warrant on June 15, 2018

$$\begin{aligned}
 &= \frac{\text{PP share} + \text{Shares amount after exercise}}{\text{Paid-up shares} + \text{PP shares} + \text{Shares amount after exercise}} \\
 &= \frac{55,000,000 + 30,000,000}{215,850,000 + 55,000,000 + 30,000,000} \\
 &= 28.25\%
 \end{aligned}$$

**Control dilution** As earlier agreed, CRSB able to hold NDR shares not more than 25% of paid-up capital. Therefore, if CRSB is the only one who converts NDR-W1 in the final exercise warrant day, which will be held on December 22, 2018, CRSB can convert only 263,259 units of NDR-W1.

$$\begin{aligned}
 &= \frac{\text{PP share} + \text{Shares amount after exercise}}{\text{Paid-up shares} + \text{PP shares} + \text{Shares amount after exercise}} \\
 &= \frac{55,000,000 + 30,263,259}{215,850,000 + 55,000,000 + 30,263,259} \\
 &= 28.32\%
 \end{aligned}$$

Therefore, after the allocation of new ordinary shares to specific investors, voting right of existing shareholders will decrease by 20.31%

- Earnings per Share Dilution

$$\begin{aligned}
 \text{EPS Dilution} &= \frac{\text{Pre-offering earnings per share} - \text{Post-offering earnings per share}}{\text{Pre-offering earnings per share}} \\
 &= \frac{0.15 - 0.12}{0.15} \\
 &= 20.00\%
 \end{aligned}$$

$$\begin{aligned}
 \text{Pre-offering earnings per share} &= \frac{\text{Net profit for 4 quarters (Q4/2016 to Q3/2017)}}{\text{Paid-up shares}} \\
 &= \frac{33,129,834}{215,850,000} \\
 &= 0.15 \text{ THB per share}
 \end{aligned}$$

$$\begin{aligned}
 \text{Post-offering earnings per share} &= \frac{\text{Net profit for 4 quarters (Q4/2016 to Q3/2017)}}{(\text{Paid-up shares} + \text{Total shares offered})} \\
 &= \frac{33,129,834}{270,850,000} \\
 &= 0.12 \text{ THB per share}
 \end{aligned}$$

Therefore, after the allocation of new ordinary shares to specific investors, earnings per share will decline by 20.00%

## 6. Opinion of the Board of directors regarding to the issuance, offering and allocation of new ordinary shares to specific investors

### 6.1 Reason and necessity

The issuance and offering new ordinary shares in exchange of the acquisition of entire business of FKRRM for expanding business do not affect the Company's liquidity significantly. Board foresees that Mr. Dato' Marco Low Peng Kiat, who holds the CRSB's share and has been the director of FKRRM for more than 20 years, including having been director of FKRRM and GCB since 2013, has experience in the business of both motorcycle tire - tube and shoe distribution in Malaysia. So to appoint him become NDR's board member after the transaction is done will help us to do business in Malaysia. Finally, board agree to issue new share to CRSB.

### 6.2 Purposes of the issuance of newly issued ordinary shares and proceeds utilization plan

Due to the payment of 53,000,000 MYR or equivalent to 416,537,120 THB for acquiring FKRRM is divided into 2 parts:

- 1) The Company will make a payment in acquiring FKRRM by issuing new ordinary shares to private placement for 55,000,000 shares at the offer price of 4.00THB per share and not offered at a discount regarding to the Capital Market Supervisory Board Announcement TorJor72/2558 because the offering price is no discount more than 10% from the market price even there is some discounts on it. (Market price calculates from the weighted average of trading price in mai during the past 15 working days before the resolution of Board of directors which is between November 6, 2017 and November 24, 2017 i.e. 3.73 THB per share. So board considers that the consideration value is appreciate.
- 2) The remaining payment of 24,400,000 MYR or equivalent to 196,537,120 THB (47.18% of consideration value) will be paid by 2 source of fund: 1) paid by company's cash flow from normal operation and cash flow from exercising the warrant for 68,537,120 THB (16.45% of consideration value). 2) paid by funding from financial institution for 128,000,000 THB (30.73% of consideration value) The company already apply the funding from financial institution. NDR has discussed with the financial institution for such loan which will be approved by January 17, 2018.

Summary method of payment and source of fund.

Method of Payment	Value (Baht)	Source of fund
<b>NDR issues new shares by PP method</b>	220,000,000	Issue and allocate new 55million shares at specific price of 4 Baht per share.
<b>Installment cash payment as following:</b>		
1 <sup>st</sup> tranche: Within 1 month after approval from shareholders' meeting.	32,791,824	- Funding from financial institution.
2 <sup>nd</sup> tranche: Within June 15, 2018	98,375,479	- 95,208,176 THB will be funding by financial institution - 3,167,303 THB will be paid from company's cash flow. - The company will receive 90million THB from exercising warrant which will be used to pay back to financial institution.
3 <sup>rd</sup> tranche: Within June 30, 2019	32,684,908	-Paid from company's cash flow
4 <sup>th</sup> tranche: Within December 31, 2019	32,684,908	-Paid from company's cash flow
<b>Total</b>	<b>416,537,120</b>	

**Remarks:** The value in THB is calculated at 8.0548 THB per MYR as of November 24, 2017 which is the date before board meeting date. The exact value may be changed according to the actual rate as of date of payment.

The D/E ratio will be increased from 0.64 to 0.83 when calculate by including new loan together NDR's current loan from 9 months financial statement as of September 30, 2017. The debt ratio is still not high and will not impact the company operation. By the way, the cash portion can be paid within 2 years, so the company's cash flow will not be effected. So board considers that method of payment and source of fund is reasonable.

6.3 Reasonability of capital increase, the use of funds from the offering new ordinary shares, new projects and the sufficiency of source of fund.

1) ***Considers the valuation*** The Board considers the valuation of FKRRMM at 53,000,000 MYR which equivalent to 416,537,120 THB with P/E comparison and Discounted Cash Flow which board considers that they are appropriate method. The result of the calculation shows that the calculated P/E is lower than NDR's P/E and lower than the average P/E of the company in the same industry too. The calculated valuation from Discounted Cash Flow method also results at higher value than consideration value. So board considers that the consideration value is appreciate.

2) ***Detail of payment***

For the determination of remuneration for entering into the transaction under item 1) is divided into 2 method as follows;

- First payment will be done by issuing 55,000,000 new ordinary shares at 4.00THB per share which is value at 28,600,000 MYR (equivalent to 220,000,000 THB). The reference exchange rate is 0.13 MYR per THB which is 15 days average exchange rate before the negotiation date

between NDR and CRSB which is a period between August 18, 2017 and September 12, 2017. The exchange rate is referred from Malaysia National Bank. The above exchange rate is set in order to keep the ringgit constant. As the offered price is not that low and does not result in any change in the equity of major shareholders and the controlling person of NDR. Moreover, issuance of new ordinary shares instead of paying some cash, will result in low financial burden of NDR. Therefore, the issuance of new ordinary shares is considered as appropriate.

- The remaining balance of 47.18 % of total transaction value will be paid in cash within 2 years, in total of 24,400,000 MYR or equals to 196,537,120 THB which will not much affect the liquidity of NDR's cash flow and cash after conversion of NDR's remaining warrants. Therefore, the payment of cash is considered as appropriated. Therefore, the Board considers that the above cash payment is appropriate.

#### 6.4 Effect on the Company's business, financial position and operating result.

After the issuance and offering of new ordinary shares to specific investors, the Company will acquire entire business of FKRMM including their brand and customer's base. Therefore, after NDR has consolidated financial statement with FKRMM, NDR's profit will implicitly increase because since the year 2014 to 2016, FKRMM has continued operating profit of 66.23, 61.12 and 54.58 million baht respectively (refer to FKRMM's consolidated financial statement for the 12 month ended January 31, 2017 (reviewed by KPMG))

In addition, To increase NDR opportunity to expand its business as there will be 2 brands in Malaysia market i.e. FKR and ND Rubber which will enable NDR to get market share in both premium and mass market.

Not only the interest from increasing in both revenue and profit, NDR will get more knowhow and motorcycle tire and tube production technology because FKRMM had been manufacturer, so FKRMM's personnel has such knowhow and production technology which NDR can use to apply to our product.

However, to acquire FKRMM, company pays one part by issuance new share and another part by cash which will be partly funding from financial institution at the amount of 128,000,000 Baht which is equal to 30.73% of total consideration value. The D/E ratio will be increased from 0.64 to 0.83 (calculated from financial statement as of September 30, 2017)

The internal rate of return (IRR) of this transaction is 14% (base of the growth rate at 2.5% per year which is referred from expecting 2017 inflation rate of Malaysia according to the Economic Report 2016/2017, Ministry of Finance, Malaysia). Comparing the IRR with the weighted average cost of capital (WACC) which is at 8.1%, the IRR is higher than WACC at 42.14% which means that this investment is worth to do.

In the case of the company cannot acquire the share of FKRMM and CRSB sells FKRMM's share to another buyer, the company may lose the main market in Malaysia because FKRMM is our current main customer.

6.5 Source of pricing and price reasonability of new ordinary shares to specific investors.

The 4.00 THB per new ordinary shares. As mutually agreed between NDR and CRSB, NDR indicates the price by using 15-day weighted average price of Market for Alternative Investor ("mai") before September 13, 2017 (the date of negotiation between NDR and CRSB which is between August 22, 2017 and September 12, 2017), the calculated price is 3.89THB per. Share. is appropriate when compared to the weighted average of trading price during the past 15 working days before the resolution of Board of directors agreed to propose in shareholders' meeting to approve the issuance, offering and allocation of new ordinary shares. The period is between November 6, 2017 and November 24, 2017 which equals to 3.73 THB and the offering price is no discount more than 10% from the market price regarding to the Capital Market Supervisory Board Announcement TorJor72/2558.

**7. Certificates of Board of directors about capital increase**

In case that the directors did not perform their duties with integrity and the best interests of the company on the capital increase causing the damage to the company, shareholders can sue that director on behalf of the company, in accordance with Section 85 of the Companies Act B.E.2535. And if not the duty, causing illegally benefit to related directors or persons, shareholders can exercise their right to reclaim that benefit on behalf of the company, in accordance with Section 89/18 of the Securities Exchange Act B.E. 2535.

**8. Opinion of audit committee regarding to the capital increase and allocation to specific investors**

All 3 audit committees attend the Board of directors' meeting held on November 26, 2017 and inquire all necessary details related to the capital increase and allocation and their opinion is not different from Board of directors' opinion

Yours sincerely

- Signature -

(Mr. Chaiyasit Samrittivanicha)

Managing director



Capital Increase Report Form  
**N.D. Rubber Public Company Limited**  
 November,26 2017

We, N.D. Rubber Public Company Limited ( "NDR"), hereby report on the resolutions of the Board of Directors' Meeting No. 5/2017, held on November 26, 2017 at 3:30PM in respect of the capital increase and the allocation of newly issued shares as follows:

**1. Capital increase**

The Board of Directors' Meeting had resolved to approve the registered capital increase of NDR from 322,500,000THB to 377,500,000THB by increasing the newly issued ordinary shares of 55,000,000units at the par value of 1.00 THB where the details of the capital increase are as follows:

Type of Capital Increase	Type of shares	No. of shares (Shares)	Par value (THB/share)	Total (THB)
<input checked="" type="checkbox"/> Specific purpose of utilizing the proceeds	Ordinary share	55,000,000	1.00	55,000,000
	Preferred share	-	-	-
<input type="checkbox"/> General Mandate	Ordinary share	-	-	-
	Preferred share	-	-	-

**2. Allocation of newly issued shares**

**2.1 Specific purpose of utilizing the proceeds**

Allocated to	No. of shares (Shares)	Ratio (Existing : New)	Sale price (THB/share)	Date and Time of subscription and share payment	Remark
Consistent Record Sdn Bhd ("CRSB")	55,000,000	-	4.00	Remark 2)	

Remark :

- NDR will offer 55,000,000 newly issued ordinary shares with a par value of 1.00 THB at the offering price of 4.00 THB with the totaling value of 220,000,000 THB as a consideration of the entire business transfer of Fung Keong Rubber Manufactory (Malaya) Sdn Bhd ("FKRMM") as an alternative to the cash payment.

(Please consider the details on the process of purchase all share and the shareholding structure of FKRMM in the Information Memorandum on the Acquisition of Assets and Connected Transaction of NDR relating to the transfer.

- 2) The Board of Directors and/or the person(s) entrusted by the Board of Directors shall be empowered to consider and proceed any matters necessary for, relating to, and/or associating with the capital increase and the allocation of the newly issued ordinary shares of NDR, including without limitation to the followings:
  - A. To determine conditions and other details relating to the allocation of the newly issued ordinary shares, including without limitation to, the offering period, the subscription, the payment of the subscription price and other conditions and details relating to the allocation of the newly issued ordinary shares;
  - B. To sign applications, notice, instrument or other documents in relation with the capital increase and the allocation of NDR, including certifying relevant documents, communicate, file and/or accept documents with any competent authorities and/or agencies and to list the new common shares on the Stock Exchange of Thailand
  - C. To carry out any other necessary actions relating to and/or associating with the capital increase and the allocation of the new common shares of NDR, to be in accordance with the laws and/or any related regulations
  
- 3) The offering of the newly issued ordinary shares to a specific investor (Private Placement) at a clearly determined offering price pursuant to the Notification of the Capital Market Supervisory Board Tor Chor. 72/2558 Re: Approval for Offering of Newly Issued Shares by Listed Companies to the Specific Investors, which stipulated that the capital increase and the offering of the newly issued ordinary shares by means of Private Placement requires an approval of the Shareholders Meeting as well as an approval from the Office of the Securities and Exchange Commission (the “SEC”) before offering such newly issued ordinary shares.
  
- 4) The allocation and offering of NDR’s newly issued ordinary shares to Purchaser which are Connected person is an allocation and offering of newly issued ordinary shares to a specific investor (Private Placement) at a specific offering price with **not lower than 90%** of the market price.

Market price means the weighted average of trading price in Market for Alternative Investment during the past 15 working days before the resolution of Board of directors agreed to propose in Extraordinary General Meeting no.1/2018 in order to approve the acquiring transaction of FKRMM and offer new ordinary shares between November 6, 2017 and November 24, 2017 which equals to 3.73 Baht per share (Reference from SETSMART in [www.setsmart.com](http://www.setsmart.com)). However, on the date of issuing new shares (Offering date) where expects to be in February 2018, if the re-calculation of offering price is at a discount of more than 10% from market price (calculated from the weighted average of trading price during the past 15 working days before the date of offering), the connected person with the Company needs to comply with silent period rule. Silent period will be applied for 1 year.

- 5) The allocation and offering of the Company’s newly issued ordinary shares to Purchaser also considered as a connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. Tor Chor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) (as amended) (the “Connected Transaction Notifications”) since, CRSB is a major shareholders of the Company with 20.31% and appoint representative, Mr. Dato’ Marco Low Peng Kiat (Dato’ Marco Low”), to be NDR’s director. The connected transaction size is

510,920,000 Bath or 118.62% of the Company's net tangible assets (NTA) as at September 30, 2017, which exceeds THB 20 million and/or 3.00% of the Company's NTA

(The details of connected persons, relationship with the company and the basis used in determining the offering price are shown in the information memorandum on the offering of the newly issued ordinary shares to specific investors)

## 2.2 Action to be taken by the Company in case of a fraction of shares

In case where there is a fraction of shares remaining, such fraction of shares would be disregarded.

### **3. Schedule for convening the extraordinary general meeting of shareholders to approve the capital increase and the allocation of shares**

The Company will convene the Extraordinary General Meeting of Shareholders No. 1/2018 on January 18, 2018 at 10 a.m. at Panorama 1, 14<sup>th</sup> Floor, The Emerald Hotel, Rachadapisek Road., Din Daeng, Bangkok with the record date on December 12, 2017, as well as empower the Executive Committee or the Managing Director to amend, change or determine the date, time and venue of the Extraordinary General Meeting of Shareholders No. 1/2018 if the Company faces any problem in preparing the documents and information which results in any delay in preparing those documents and information and sending of such documents and information to the shareholders within the time specified by the applicable rules, regulations and law, or in case of occurrence of any event which necessarily causes amendment or change of the determination of such dates and time to be made as appropriate.

### **4. Application for approval of the capital increase/allocation of newly issued shares by the relevant governmental agencies and approval conditions**

4.1 The Company will register the increase of its registered capital and paid-up capital with the Department of Business Development, Ministry of Commerce.

4.2 The Company will request an approval from the SET on listing the newly issued ordinary shares as listed securities on the SET.

4.3 The Company must be approved by the SE Office for offering the newly issued ordinary shares to a specific investor (through a private placement) pursuant to the Private Placement regarding to the Capital Market Supervisory Board Announcement TorChor. 72/2558.

### **5. Objectives of the capital increase and plans for utilizing proceeds from the capital increase**

The companies intend to acquire all share of Fung Keong Rubber Manufactory (Malaya) Sdn Bhd ("FKRMM"). The payment of 53,000,000 MYR or equals to 416,537,120 THB which is calculated by issuing 55,000,000 new ordinary shares which is value at 28,600,000 MYR (equivalent to 220,000,000 THB). The reference exchange rate is 0.13 MYR per THB which is 15 days average exchange rate before the negotiation date between NDR and CRSB which is a period between August 18, 2017 and September 12, 2017. The exchange rate is referred from Malaysia National Bank. The above exchange rate is set in order to keep the ringgit constant. Payment by cash valuation at 24,400,000 MYR which is equivalent to 196,537,120 THB at the exchange rate of 8.0548 THB per MYR on November 24, 2017 which prior to Board of Director's Meeting of the Company. The exchange rate is referred to the Bank of Thailand. Therefore, the purpose of issuance the new ordinary share is to pay for acquiring the share of FKRMM.

## **6. Benefits which the Company expects to receive from issuing new ordinary share.**

Issuing new ordinary share together with cash payment to acquire the entire business of FKRMM will benefit to the company as followings:

- The Proposed Acquisition allows NDR to acquire an established brand (i.e. FKR brand) in Malaysia. It also allows NDR to transform from an OEM to Own Brand Manufacturing (“OBM”) in Malaysia.
- Therefore, after NDR has consolidated financial statement with FKRMM, NDR’s profit will implicitly increase because since the year 2014 to 2016, FKRMM has continued operating profit of 66.23, 61.12 and 54.58 million baht respectively (refer to FKRMM’s consolidated financial statement for the 12 month ended January 31, 2017 (reviewed by KPMG))
- The Proposed Acquisition is expected to have a number of potential synergies between NDR and the Target given the ability to leverage on their respective strengths and widen the customer base of NDR, whereby cross selling opportunities can be further developed via Target’s extensive distribution networks as a platform to introduce NDR’s OBM products to Malaysia and other parts of the world.
- Due to 40% of NDR’s revenue is the sales in Malaysia. To acquire the Target will guarantee that we will not lose our existing customers to competitors.

## **7. Expected Benefits to the Company**

### **7.1 Dividend policy**

The Company has dividend payout ratio of at least 40% of net profit of the Company only (unconsolidated basis) in which net profit is after deducting corporate tax, legal reserve and other reserves. However, the Company may pay dividend less than mentioned above if necessity i.e. more working capital required, aggressive expansion plan, or else. The Board resolution on dividend payment is needed to propose to shareholders’ meeting for approval, except interim dividend in which Board can go ahead and report to shareholders later.

7.2 The subscribers of the Company’s newly issued ordinary shares at this offering will be entitled to receive dividends declared by the Company upon the registration of their names as shareholders of the Company with relevant authority such as Ministry of Commerce.

### **7.3 Others**

- None –

## **8. Other details necessary for the shareholders’ consideration in approving the capital increase/allocation of newly issued shares**

The offering and allocation of newly issued ordinary shares to specific persons through private placement may have Price dilution and Control dilution effects as follow.

- **Price dilution**

$$\begin{aligned}
 \text{Price dilution} &= \frac{(\text{Market price} - \text{Market price after offering})}{\text{Market price}} \\
 &= \frac{3.73 - 3.78}{3.73} \\
 &= -1.34\% \\
 \text{Market price} &= \text{The weighted average price of the Company's share dating back 15 consecutive business days prior to the Board of Directors Meeting no. 5/2017 at 26 November 2017 that is the period between 6 November 2017 to 24 November 2017 which equal to 3.73 Baht per share (Source: SETSMART of the SET)} \\
 \text{Market price after offering} &= \frac{(\text{Market price} \times \text{No. of paid-up shares}) + (\text{Offering price} \times \text{No. of offering shares})}{(\text{No. of paid-up shares} + \text{No. of offering shares})} \\
 &= \frac{(215,850,000 \times 3.73) + (55,000,000 \times 4)}{215,850,000 + 55,000,000} \\
 &= 3.78 \text{ Baht}
 \end{aligned}$$

After the offering, there will be no price dilution effect as the offering price is higher than the market price. Because of the offering price for private placement is higher than market price -1.34%

- **Control dilution**

$$\begin{aligned}
 \text{Control dilution (Before NDR-} &= \frac{\text{No. of offering shares}}{(\text{No. of paid-up shares} + \text{No. of offering shares})} \\
 \text{W1 exercise)} &= \frac{55,000,000}{215,850,000 + 55,000,000} \\
 &= 20.31\%
 \end{aligned}$$

**Control dilution** After exercising of NDR-W1 under condition of major shareholder shall exercise 10,000,000 units of warrant and CRSB shall exercise 20,000,000 units of warrant on June 15, 2018

$$\begin{aligned}
 &= \frac{\text{PP share} + \text{Shares amount after exercise}}{\text{Paid-up shares} + \text{PP shares} + \text{Shares amount after exercise}} \\
 &= \frac{55,000,000 + 30,000,000}{215,850,000 + 55,000,000 + 30,000,000} \\
 &= 28.25\%
 \end{aligned}$$

**Control dilution** As earlier agreed, CRSB able to hold NDR shares not more than 25% of paid-up capital. Therefore, if CRSB is the only one who converts NDR-W1 in the final exercise warrant day, which will be held on December 22, 2018, CRSB can convert only 263,259 units of NDR-W1.

$$\begin{aligned}
 &= \frac{\text{PP share+Shares amount after exercise}}{\text{Paid-up shares+PP shares+ Shares amount after exercise}} \\
 &= \frac{55,000,000+30,263,259}{215,850,000+55,000,000+30,263,259} \\
 &= 28.32\%
 \end{aligned}$$

Therefore, after the allocation of new ordinary shares to specific investors, voting right of existing shareholders will decrease by 20.31%

- **Earning per Share Dilution**

$$\begin{aligned}
 \text{Earning per Share Dilution} &= \frac{\text{EPS before offering} - \text{EPS after offering}}{\text{EPS before offering}} \\
 &= \frac{0.15 - 0.12}{0.15} \\
 &= 20\%
 \end{aligned}$$
  

$$\begin{aligned}
 \text{EPS Before offering} &= \frac{\text{Net Profit for previous 4 Quarter (Baht)}}{\text{No. of Share Before offering (Share)}} \\
 &= \frac{33,129,834}{215,850,000} \\
 &= 0.15\text{Baht per Share}
 \end{aligned}$$
  

$$\begin{aligned}
 \text{EPS After offering} &= \frac{\text{Net Profit for previous 4 Quarter (Baht)}}{\text{No. of Share After offering (Share)}} \\
 &= \frac{33,129,834}{270,850,000} \\
 &= 0.12 \text{ Baht per Share}
 \end{aligned}$$

After the offering transaction, the Earning per Share Dilution decrease around 20%.

**9. Schedule of actions if the Board of Directors resolves to approve the capital increase/allocation of newly issued shares**

No.	Procedure	Date / Month / Year
1	Board of Directors' Meeting No. 5/2017	26 November 2017
2	Date for determining the names of shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2018 (Record Date)	12 December 2017
3	Extraordinary General Meeting of Shareholders No. 1/2018	18 January 2018
4	Registration of capital increase with the Ministry of Commerce	Within 14 days from the date of shareholders' meeting's resolution

The Company hereby certifies that the information contained herein is true and complete in all respects.

Please be informed accordingly

Yours sincerely,

- *Signature* -

(Mr. Chaiyasit Samrittivanicha)

Managing Director