

No. CC20180203ELE

February 23, 2018

Subject Report of the Resolutions of Board of Directors' Meeting No.1/2018

To President  
The Stock Exchange of Thailand

The Board of Directors of Cal-Comp Electronics (Thailand) Public Company Limited No.1/2018 was held on February 23, 2018 at 11.00 – 12.00 Hrs. the following resolutions were passed:

1. Approved the Audited Financial Statement of the year ended 2017 and Annual Report of the Board of Directors in relation to the Company operating result in respect of the year 2017, which is subject to the approval of the Annual General Meeting of Shareholders No. 1/2018.
2. Approved the appropriation and retaining of the net profit Baht 511 million as legal reserve and the declaration of dividend payment from the Company consolidated net profit for the period of July-December 2017 at Baht of 0.04 per share. The total outstanding shares entitled for the dividend is 4,554,643,575 shares and total dividend amount is Baht 182,185,743, the record date for the shareholders who has right to receive the dividend will be on March 21, 2018. The payment date of dividends is scheduled on May 18, 2018 from the Company consolidated net profit that still enjoys the tax exemption for corporate income tax under the BOI privileges, therefore, the dividend is not subject to withholding tax in Thailand, in which the dividend payment will be subject to shareholder approval. The right to receive the dividend depends on the resolution of Annual General Meeting of Shareholders No.1/2018. Meanwhile, the Company had paid the interim dividend payment at the rate of Baht 0.06 per share for the period of January – June 2017 on September 15, 2017, therefore the total dividend payment for the year 2017 will be Baht 0.10 per share, which is subject to the approval of the Annual General Meeting of Shareholders No. 1/2018
3. Approved the issuance of the Warrant to purchase ordinary share for Employees Stock Option Plan (CCET-WC), distributed to directors and/or employees of the Company and/or its subsidiaries for not exceeding 225,000,000 units, which is subjected to Shareholders' approval; details of which are shown in Attachment 1. The Board also approved to authorize the Chairman or designee of Chairman to final the details of required documents and offering issues.

This agenda will be subject to the approval of the Annual General Meeting of Shareholders No. 1/2018.

4. Approved the reduction of registered capital by decreasing the number of registered shares which have not yet been issued in an amount of 4,296,674 shares due to the allotment of stock dividend for the 2H'2014 has completed as at May 21, 2015 at total 197,915,071 ordinary shares, and there are 4,296,674 remaining shares (including the reserved stock dividend amount reserved for the unexercised CCET-WA units) has paid in cash due to indivisible shares. In this regard, there are still remaining the reserved shares of 197,450,000 shares for the purpose of exercising warrant CCET-WB shall remained due to the warrant program is not yet

expired until July 2, 2018. As a result of the reduction of registered capital, the registered capital shall be decreased from Baht 4,756,390,249 (Baht (four billion, seven hundred and fifty-six million, three hundred and ninety thousand, two hundred forty-nine) to Baht 4,752,093,575 (Baht four billion, seven hundred and fifty-two million, ninety-three thousand, five hundred seventy-five) and approved to amend Clause 4 in Memorandum of Association in order to correspond with reduction of registered capital:

Clause 4	Registered Capital:	Baht 4,752,093,575 (four billion, seven hundred and fifty-two million, ninety-three thousand, five hundred seventy-five Baht)
	Divided into:	4,752,093,575 shares (four billion, seven hundred and fifty-two million, ninety-three thousand, five hundred seventy-five shares)
	Par Value:	Baht 1 (one)
	Consisting of Ordinary Stock:	4,752,093,575 shares (four billion, seven hundred and fifty-two million, ninety-three thousand, five hundred seventy-five shares)
	Preferred Stock:	- Share (-)

This agenda will be subject to the approval of the Annual General Meeting of Shareholders No. 1/2018.

5. Approved an increase of registered capital of the Company from 4,752,093,575 shares (four billion, seven hundred and fifty-two million, ninety-three thousand, five hundred seventy-five shares to 4,979,068,075 shares (four billion, nine hundred seventy-nine million, sixty-eight thousand, and seventy five shares) by issuing

(a) 225,000,000 new ordinary shares (two hundred twenty five million shares) at par value of Baht 1, in the amount of Baht 225,000,000 (Baht two hundred twenty five million) to be reserved for the issuance of ESOP program CCET-WC.

(b) 1,974,500 new ordinary shares (one million, nine hundred seventy four thousand, and five hundred shares) at par value of Baht 1, in the amount of Baht 1,974,500 (Baht one million, nine hundred seventy four thousand, and five hundred) to be reserved for the right adjustment of warrant CCET-WB .

The detailed calculation of right adjustments for CCET-WB

- A. Exercise price shall be adjusted as follows:

$$\begin{aligned}
 \text{Price 1} &= \frac{\text{Price 0} \times [(A \times \text{MP}) + \text{BX}]}{[\text{MP} \times (A+B)]} \\
 &= \frac{3.38 \times [(4,554,643,575 \times 2.74) + (486,000,000)]}{[2.74 \times (4,554,643,575 + 225,000,000)]} \\
 &= 3.35 \text{ Baht/share}
 \end{aligned}$$

B. Exercise ratio shall be adjusted as follow:

$$\begin{aligned} \text{Ratio 1} &= \frac{\text{Ratio 0} \times [\text{MP} \times (\text{A}+\text{B})]}{[(\text{A} \times \text{MP}) + \text{BX}]} \\ &= \frac{1 \times [2.74 \times (4,554,643,575+225,000,000)]}{[(4,554,643,575 \times 2.74)+(486,000,000)]} \\ &= 1.01 \text{ shares/ 1 warrant} \end{aligned}$$

Where

Price 1 = Exercise Price after the change

Price 0 = Exercise Price prior the change

Ratio 1 = Exercise Ratio after the change

Ratio 0 = Exercise Ratio prior the change

MP = the market price per share of the Company's ordinary shares

A = Number of paid-up ordinary shares

B = New ordinary shares reserved for the exercise of CCET-WC

BX = the amount of proceeds received less expenses (if any) from the offering of securities confer the right to convert or exchange into the ordinary shares or the right to purchase the ordinary share through a rights offering and/or a public offering and/or private placement together with the amount to be received from the exercise of the rights under such securities

In respond to the change of capital due to the issuance of CCET-WC, the rights of warrant holders through the CCET-WB program which was approved in Annual General Meeting of Shareholders No.1/2015 shall therefore be adjusted as below details and actual adjustment is subject to the approval of the Annual General Meeting of Shareholders No.1/2018.

	Before Adjustment	After Adjustment
Exercise Price	Baht 3.38 per Share	Baht 3.35 per Share
Exercise Ratio	1 ordinary share : 1 warrant	1.01 ordinary share: 1 warrant

Remark:

- All fraction of adjusted Exercise Price multiplied by number of ordinary share calculated from Exercise Ratio shall be disregarded.
- All fraction of number of ordinary share calculated from Exercise Ratio shall be disregarded.

Therefore, the Company shall need to increase additional capital of 1,974,500 reserved shares in respond to the right adjustment for CCET-WB. The total remained and unexercised share reserved for the CCET-WB program shall be from original 197,450,000 shares to 199,424,500 shares respectively.

The Board also approved to amend Clause 4 in Memorandum of Association in order to correspond with the capital increase:

Clause 4	Registered Capital:	Baht 4,979,068,075 (four billion, nine hundred seventy-nine million, sixty-eight thousand, and seventy-five Baht)
	Divided into:	4,979,068,075 shares (four billion, nine hundred seventy-nine million, sixty-eight thousand, and seventy-five shares)
	Par Value:	Baht 1 (one)
	Consisting of Ordinary Stock:	4,979,068,075 shares (four billion, nine hundred seventy-nine million, sixty-eight thousand, and seventy-five shares)
	Preferred Stock:	- Share (-)

This agenda will be subject to the approval of the Annual General Meeting of Shareholders No. 1/2018.

6. Approved the allotment of newly increased ordinary shares not exceed 226,974,500 shares to support the issuance of ESOP program CCET-WC and the right adjustment of CCET-WB which is subjected to approval of the Annual General Meeting of Shareholders No.1/2018
7. The Board of Directors had approved the retirement of Mr. Khongsit Choukitcharoen, Mr. Alan Chi Yim Kam, and Mr. Thanasak Chanyapoon. The Meeting unanimously resolved that the re-appointment of Mr. Khongsit Choukitcharoen, Mr. Alan Chi Yim Kam, and Mr. Thanasak Chanyapoon to resume their positions as the directors of the Company for another term which is subject to the approval of the Annual General Meeting of Shareholders No. 1/2018
8. The Board of Directors had approved the determination for Board of Directors' remuneration not exceeding Baht 25,000,000 for the year 2018, which is subject to the approval of the Annual General Meeting of Shareholders No. 1/2018.
9. The Board of Directors had approved the appointment Mr. Sophon Permsirivallop, C.P.A. Registration No. 3182, and/or Ms. Rungnapa Lertsuwankul, C.P.A. Registration No. 3516, and/or Ms. Pimjai Manitkajohnkit, C.P.A. Registration No. 4521 and/or Ms. Rosaporn Decharkom, C.P.A Registration No. 5659 and/or Ms. Sumana Punpongsanon, C.P.A Registration No. 5872 of EY Office Limited be appointed as the Company's auditor for the year 2018 for a total remuneration of Baht 3,940,000. In the event auditors are unable to perform their duties, Ernst & Young Office Limited is authorized to assign another of its auditors to perform the audit and express an opinion on the Company's financial statements in their place, which shall be subject to the approval of the Annual General Meeting of Shareholders No. 1/2018.
10. Approved the related parties transaction as the following transaction:
  - 10.1 The transaction between the Company and/or its subsidiaries with Kinpo Electronics Inc. and/or its subsidiary as the following details:

#### 10.1.1 Acquisition on fixed asset

##### 1<sup>st</sup> transaction

Partners of Contract	Seller: Kinpo International Ltd. ("Kinpo-Inter") Buyer: Cal-Comp Electronics (Thailand) PCL. ("CCET")
Type of fixed asset	5 sets of solder paste inspection, 1 set of Auto Optical Inspection machine, 5 sets of high speed placement machine, 2 sets of reflow oven, and 1 set of solder paste printer 8 years of lifetime and 0.1 of used year
Transaction date	December 2017
Transaction amount	Baht 30,153,785
Pricing policy	At Book value (transaction amount) and near market value
Payment term	By cash with 60 days of credit term
The reason	In consider to support the Company's operation CCET has purchased the SMT machines from Kinpo-Inter for production purpose

##### 2<sup>nd</sup> transaction

Partners of Contract	Seller: Kinpo International Ltd. ("Kinpo-Inter") Buyer: Cal-Comp Technology (Philippines), Inc. ("CCPH")
Type of fixed asset	1 set of surface mounting machine 9 years of lifetime and 9 of used year
Transaction date	December 2017
Transaction amount	USD 361,460 or approximately Baht 11,783,668.29
Pricing policy	At Book value (transaction amount) and near market value
Payment term	By cash with 90 days of credit term
The reason	In consider to support the Company's operation, CCPH has purchased the surface mounting machine from Kinpo-Inter for production purpose

The total transaction size of acquisition on fixed assets is Baht 41,937,453.29 which is accounted to 0.070% under the total value of consideration criteria (maximum acquisition value criteria). The transaction is categorized as small transaction, is not required to be disclosed according 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 Disposal of Assets B.E. 2547 (2004)

#### Total size of disposal and acquisition on fixed asset for related party transaction criteria

Included 2 transactions of the Company and/or its subsidiary with Kinpo International Ltd., the total transaction size is Baht 41,937,453.29 41, which is accounted to 0.23% of NTA as December 31, 2017

#### 10.1.2 Share MIS (Management Information System) resource transaction

1. Contract Date: January 1, 2018 - December 31, 2018

2. Partners of Contract: Connected transaction between subsidiary and related person.

*User* : Cal-Comp Electronics and Communications Co., Ltd.

*Provider* : Kinpo Electronics Inc.

3. Ordinary form of transaction

Cal-Comp Electronics and Communications Co., Ltd shared MIS resource and system from Kinpo Electronics Inc. to support operation and reporting system.

4. Total cost

Total cost for one year is NTD 24,000,000, approximately Baht 26,080,000, accounted for 0.14% of NTA as December 31, 2017, the pricing will be contract price and the actual charge will be subject to the employee's headcount and actual expense.

#### 10.2 Consultant Service transaction

1. Contract Date: January 1, 2018 - December 31, 2018

2. Partners of Contract: Connected transaction between subsidiary and related person.

*User* : Cal-Comp Electronics and Communications Co., Ltd.

*Provider* : Kinpo Group Management Service Co., Ltd.

3. Ordinary form of transaction

Kinpo Group Management Service Co., Ltd. provides Consultant Service for accounting, finance and tax planning to Cal-Comp Electronics and Communications Co., Ltd

4. Total cost

Total cost for 1 year is NTD 2,460,000 approximately Baht 2,674,020, accounted for 0.015% of NTA as December 31, 2017. The pricing will be contract price.

5. Details of related person

-Name of related person : Kinpo Group Management Service Co., Ltd.

-Relationship : Cal-Comp Electronics and Communications Co., Ltd. is holding in Kinpo Group Management Service Co., Ltd. for 12.50%

The directors who have conflict of interest did not join and vote for this agenda.

#### Total size of related party transactions during the past six-month periods

Overall, total size of related party transactions between the Company and/or its subsidiaries with Kinpo Electronics Inc. and/or its subsidiaries are at Baht 248,214,031.21 which is accounted to 1.35% of NTA during the past six-month periods.

Note: Exchange Rate

USD/Baht = 32.6002

NTD/Baht = 1.0870

Details of related person of the Company and/or its subsidiary with Kinpo Electronics Inc and/or its subsidiary

- Name of related person: Kinpo Electronics, Inc.
- Relationship: Kinpo Electronics, Inc. holds 40.41% of the Company, and nominates 3 people to be directors in the Company: Mr. Hsu, Sheng-Hsiung, Mr. Hsu, Shen-Chieh, and Mr. Shen, Shih-Yong

- Name of related person: Kinpo International Ltd.
- Relationship : Kinpo Electronics, Inc. (China) Co., Ltd. is subsidiary of Kinpo Electronics Inc. and Kinpo Electronics Inc is holds 40.41% of the Company, and nominates 3 people to be 1 directors in the Company: Mr. Hsu, Sheng-Hsiung, Mr. Hsu, Shen-Chieh, and Mr. Shen, Shih-Yong

The directors who have conflict of interest did not join and vote for this agenda.

Opinion of the Board of director and Audit Committee

The connected transactions of the Company are reasonable in the normal course of business due to all transactions are taking to supporting the business operation and also the terms and conditions are satisfied.

11. The Board of Directors had approved the date of the Annual General Meeting of Shareholders No. 1/2018 to consider the following agenda:

- 1) To certify the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2017.
- 2) To consider and approve the Audited Financial Statement of the year ended 2017 and Annual Report of the Board of Directors.
- 3) To consider and approve the appropriation of net profit as legal reserve and declaration of dividend payment for the year 2017.
- 4) To consider and approve the issuance and offering of warrant under Employees Stock Option Plan (CCET-WC) program
- 5) To consider and approve the reduction of registered capital and the amendment of the Clause 4 in Memorandum of Association in respect of the reduction of registered capital.
- 6) To consider and approve the increase of registered capital and the amendment of the Clause 4 in Memorandum of Association to correspond with the increase of registered capital to support the issuance and offering of ESOP program (CCET-WC) and the right

adjustment of CCET-WB.

- 7) To consider and approve the allotment of new ordinary shares to support the issuance and offering of ESOP program (CCET-WC) and the right adjustment of CCET-WB.
- 8) To consider and approve the appointment of directors to replace those retired by rotation for the year 2018.
- 9) To consider and approve the determination of remuneration for Board of Directors for the year 2018.
- 10) To consider and approve the appointment of the company's auditor and audit fee for the year 2018.
- 11) To consider any other business (if any).

The Board of Directors had also approved the Record Date on March 21, 2018 and collects the names of shareholders in order to determine the shareholders' entitlement to attend the Annual General Meeting of Shareholders No. 1/2018.

The Annual General Meeting of Shareholders No. 1/2018 shall be held on April 27, 2018 at 08.30 a.m. at Samut Sakhon Factory, the Conference Room of R&D Building 5<sup>th</sup> Floor, 60 Moo 8, Sethakij Road, Tambon Klong Maduea, Amphoe Krathum Baen, Samut Sakhon, Thailand to consider the above agendas.

Please be informed accordingly.

Sincerely yours,

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Mr. Khongsit Choukitcharoen  
Managing Director



**Cal-Comp Electronics (Thailand) Public Company Limited**

**Preliminary Details of the Issuance and Offering of the Warrants to Purchase Ordinary Shares of the Company to Employees of the Company and/or its Subsidiaries**

Cal-Comp Electronics (Thailand) Public Company Limited (“**CCET**” or the “**Company**”) wishes to issue and offer warrants to purchase ordinary shares of the Company (“**Warrants**”) to employees of the Company and/or its subsidiaries according to ESOP 2018 program (“**CCET-WC**”), the details of which are as follows:

**1. Objective and necessities of the issuance of the ESOP warrants to be allotted to employees of the Company and/or subsidiaries**

The issuance and offering of Warrants of the Company or CCET-WC is to motivate and to retain knowledgeable and capable employees of the Company and/or its subsidiaries as well as to attract new employees who will provide the Company and/or its subsidiaries with the benefits at most over the long-term.

**2. Summary of preliminary details of Warrants to be allocated to employees of the Company and/or subsidiaries (CCET-WC)**

Type and category of Warrants	:	Warrants to purchase ordinary shares of Cal-Comp Electronics (Thailand) Public Company Limited, offered to employees of the Company and/or its subsidiaries, specified the name of the holder and non-transferable unless in the case of inheritance.
Number of Warrants in issuance and offering	:	Not exceeding 225,000,000 units
Date of issuance	:	Within 1 year from the date of the approval of issuance of CCET-WC by the shareholders’ meeting.
		The Board of Directors and/or the person(s) entrusted by the Board of Directors is (are) authorized to determine the issuing date of Warrants after having obtained approval from the shareholders’ meeting.
Maturity period of Warrants	:	4 years from the date of Warrants issuance.
Numbers of ordinary shares allocated to accommodate the exercise of the Warrants	:	Not exceeding 225,000,000 shares at the par value of Baht 1 per share or equivalent to 4.94% of the Company’s paid-up capital as of 23 February 2018.

As of 23 February 2018, which is the date of the Board of Directors Meeting No. 1/2018, there are

remaining portion of unexercised warrants under CCET-WB of 197,450,000 units which might be partially or fully exercised by the holders after the date of Annual General Meeting of Shareholders No. 1/2018. In this regard, if the remaining unexercised warrants under CCET-WB are fully exercised, the paid-up shares of the Company shall be [4,752,093,575] shares. As such, the numbers of ordinary shares allocated to accommodate the exercise of CCET-WC shall be 4.73% of the Company's paid-up capital.

- Offering price per unit : Baht 0
- Distribution method : This issuance of Warrants under CCET-WC will be offered directly to eligible employees of the Company and/or its subsidiaries and in the amount as determined by the Board of Director and/or the person(s) entrusted by the Board of Directors and the determination will base on the position, role and responsibilities, year of working with the Company and/or its subsidiaries, experience, and contribution in the future of the employees. The Board of Director and/or the person(s) entrusted by the Board of Directors will determine any condition and/or other details necessary for the pertinent to the issue and offer newly issued shares including the approval from any related agency, and any other acts necessary and related to the issued Warrants.
- There are no employees allocated warrants more than 5% of the total issued Warrants under CCET-WC.
- Exercise ratio : 1 unit of Warrant has the rights to purchase 1 ordinary share, unless the exercise ratio is adjusted under a rights adjustment
- Exercise price : The exercise price is at Baht 2.16 per unit, which is considered as the offering of newly issued shares at a price lower the market price calculated by reference to the weighted average of the daily closing price of the Company's ordinary shares traded in the Stock Exchange of Thailand ("**SET**") during the seven (7) consecutive trading days prior to the Company's Board of Directors Meeting No.1/2018 dated 23 February 2018.

Exercise period : Subject to the lock-up period prescribed below, the holders of CCET-WC can exercise the rights to purchase the ordinary shares of the Company after one (1) year period from the date of issuance of the Warrants and can exercise their rights to purchase the company's ordinary shares on the 10<sup>th</sup> of every 3 months, i.e. 10<sup>th</sup> March, 10<sup>th</sup> June, 10<sup>th</sup> September and 10<sup>th</sup> December of each year until the maturity of Warrants. The last exercise date will be at the maturity date of the Warrants.

If the last exercise date is a holiday, the last business day prior to the maturity date of the Warrants shall be the last exercise date.

Nevertheless, the Warrant holders shall be subject to the lock-up period as follows:

With respect to this issuance of Warrants under CCET-WC which will be directly allocated to employees at the Offering Date, not exceeding 30% of the allocated portion of the Warrants shall be exercisable after 1 year of the Issuance Date, and total accumulated not exceeding 60% allocated portion shall be exercisable after 2 year of the Issuance Date, and total accumulated 100% of the allocated portion shall be exercisable after 3 year of the Issuance Date. The Company will make a written agreement with all allotted employees involving the lock-up period.

Period for notification of intention to exercise the Warrants : Holders of CCET-WC who wish to exercise the rights to purchase ordinary shares of the Company are required to submit notification of the intention to exercise the Warrants during the period from 9.00 am to 4.00 pm during 5 business days before each exercise date. With exception of the last exercise date, the holders shall submit their notification of intention during 15 business days before the last exercise date. The number of Warrants to be exercised must be in a whole number in board lot on SET trading except the last exercise of the Warrants.

Conditions concerning the adjustment of the exercise ratio and exercise price : **Whenever there is any change in exercise price and exercise ratio under the circumstances as defined by the notifications of Capital Market Supervisory Board.**

**The Company may adjust the exercise price and exercise ratio to ensure that the benefits of Warrant holders are no less favorable in the event**

of the following:

(1) when the Company changes the par value of the ordinary shares due to a consolidation or split of the ordinary shares;

(2) when the Company offers newly issued ordinary shares to the existing shareholders on rights offering basis, and/or on public offering and/or on private placement basis at a price lower than 90 % of the price calculated based on the market price as stated in the terms and conditions of Warrants;

(3) when the Company offers any newly issued securities on rights offering basis, and/or on public offering and/or on private placement basis that are convertible/exchangeable into ordinary shares (i.e. convertible bonds or warrants to purchase ordinary shares) for which the offering price of such newly issued ordinary shares is lower than 90 % of the price calculated based on the market price as stated in the terms and conditions of Warrants;

(4) when the Company makes all or partial dividend payment by way of issuing new ordinary shares to shareholders;

(5) when the Company pays cash dividend that exceeds [120]% of total net profit after taxes for any operating year during the tenor of CCET-WC;

(6) when there are any other events similar to those mentioned in 1) to 5) above that may impair benefits of holders of CCET-WC. The Company shall adjust the exercise price and exercise ratio to ensure the benefits of the holders of CCET-WC are not less favorable.

Accordingly, the Board of Director and/or the person(s) entrusted by the Board of Directors will determine the conditions and other details relating to the adjustment or change of the exercise ratio and the exercise price pursuant to relevant laws, notifications, and regulations as deems appropriate in order to secure the benefit of the holders of CCET-WC.

Other conditions

: The Board of Directors and/or the person(s) entrusted by the Board of Directors is (are) empowered to determine criteria, conditions and other details related to CCET-WC including but not limited to having the power to negotiate, agree and

sign any relevant documents and agreements and to perform any other necessary actions related to CCET-WC including issuing, offering and listing the ordinary shares from the exercise of CCET-WC on the SET. However, the Company shall not extend the tenor of Warrants nor change exercise price and exercise ratio; except any adjustments in accordance with the terms and conditions of rights adjustment.

Warrants registrar	:	Thailand Securities Depository Company Limited
Secondary market of Warrants	:	-None-
Secondary market of the ordinary shares issued to accommodate Warrants	:	The Stock Exchange of Thailand

### **3. Allotment method of the Warrants**

- 3.1 The Company will offer the Warrants to employees of the Company and/or its subsidiaries within one (1) year from the date of shareholders' meeting has passed a resolution to issue CCET-WC to be allotted to employees of the Company and/or its subsidiaries.
- 3.2 Warrants that are not allocated to employees of the Company and/or its subsidiaries within offering period or unexercised within maturity period will be canceled.
- 3.3 No employees of the Company and/or its subsidiaries are to be allotted more than 5% of the total CCET-WC issued and offered.
- 3.4 Employees of the Company and/or its subsidiaries who are eligible to receive the allocation of CCET-WC must be;
  - (a) Employee of the Company and/or its subsidiaries on the date of allotment of CCET-WC.
  - (b) The amount of CCET-WC that each employee of the Company and/or its subsidiaries will receive can vary based on the position, work experience, role and responsibility, year of working with the Company, competency, current and previous performance, also the potential and prospect that each employee will contribute to the company in the future.

The Board of Directors and/or the person(s) entrusted by the Board of Directors will determine list of eligible employees of the Company and/or subsidiaries, and the number of CCET-WC to be allocated to each employee.

#### 3.5 Terms and conditions to exercise the Warrants:

- (a) The Warrants holder must be employee of the Company and/or subsidiaries on the exercise date.

- (b) If employees who are granted Warrants resign or are terminated, such employees shall not be entitled to exercise the Warrants which have not been exercised and shall return certificate of Warrants to the Company.

The Warrants returned from employees who resign or are terminated to the Company and/or its subsidiaries in accordance with the first paragraph will be allocated to other employees as appropriate and in accordance with the following conditions:

- (b1) If Warrants will be allocated to any employee who will receive not more than 5% of the total CCET-WC issued and offered, the Board of Directors shall consider and allocate such warrants without approval from the shareholders again.
- (b2) If Warrants will be allocated to any employee who will receive more than 5% of the total CCET-WC issued and offered, a meeting of shareholders is required to approve the re-allotment of CCET-WC and requirements and conditions in relation to documents, notice, resolution of shareholders and veto rights shall be complied with.
- (c) If employees who are granted Warrants are terminated because of retirement or being transferred to related companies or subsidiaries of the Company for the purpose of the Company's operation, death or disability or incompetency or other cases as determined by the Board of Directors and/or the person(s) entrusted by the Board of Directors, such persons or their heir, guardian or curator shall be entitled to exercise Warrants to purchase ordinary shares on behalf of such employees until expiry of the Warrants granted.
- (d) Employees who are approved by the Board of Director to leave without pay, he or she will be eligible for the exercisable amounts 1 year from the approved leave date. The remained exercisable and non-exercisable amount shall be suspended until the date of restore of the position.
- (e) If any Warrant holder does not exercise or does not fully exercise the rights to purchase ordinary shares pursuant to the Warrants and the term of the Warrants has expired, it shall be deemed that such employee waives his/her rights pursuant to such un-exercised Warrants. In this respect, such employee shall not be entitled to claim any compensation from the Company.

3.6 The Warrant holders are subject to withholding tax payment from exercising the rights to purchase ordinary shares for which the Company has an obligation to make the payment to the Revenue Department in accordance with the laws. The Warrants holders are liable to pay their own personal income taxes incurred from exercising the rights to purchase ordinary shares.

#### **4. Dilution effect to shareholders from issuing and offering Warrants to the employees of the Company and/or its subsidiaries**

##### **4.1 Price Dilution**

In the event that the rights of Warrants under CCET-WC allocated to the employees of the Company and/or its subsidiaries are fully exercised, the issuance and offering of the Warrants to employees will affect the market price of the Company's shares (Price Dilution) which can be calculated as follows:

Price Dilution	=	$\frac{P_0 - P_1}{P_0}$
$P_0$	=	the weighted average of the daily trading price of the Company's ordinary shares traded on the SET for seven (7) consecutive trading days prior to the Company's Board of Directors Meeting No. 1/2018 held on 23 February 2018 passing approval of the Warrants issuance or the weighted average of the daily trading price from 14 February 2018 until 22 February 2018, which is Baht [2.74] per share
$P_1$	=	the weighted average of the daily trading price after issuance of CCET-WC
	=	$\frac{(P_0 \cdot Q_0) + (P_{esop} \cdot Q_{esop})}{(Q_0 + Q_{esop})}$
$P_{esop}$	=	Exercise price of CCET-WC
$Q_0$	=	Total paid-up shares of the Company, presently, [4,554,643,575] shares
$Q_{esop}$	=	Number of Shares which are reserved for exercise of CCET-WC which are equal to 0 shares in case that shareholders' meeting disapproves issuance of CCET-WC and 225,000,000 shares in case that the shareholders' meeting approves issuance of CCET-WC and CCET-WC are fully exercised

As such, the result of calculation of price dilution can be illustrated as follows:

$P_{esop}$	$Q_{esop}$	$P_0$	$P_1$	Price Dilution from issuance of CCET-WC
2.16	225,000,000	2.74	2.71	1.09%

#### 4.2 Earnings Dilution

Earnings Dilution	=	$\frac{EPS_0 - EPS_1}{EPS_0}$
$EPS_0$	=	$\frac{NI}{Q_0}$
$EPS_1$	=	$\frac{NI}{(Q_0 + Q_{esop})}$
NI	=	Net profit of the Company for 2017 as shown in the consolidated financial statement as of 31 December 2017 which was Baht [900,246,879]

As such, the result of calculation of earnings dilution can be illustrated as follows:

NI	Q <sub>o</sub>	Q <sub>esop</sub>	EPS <sub>0</sub>	EPS <sub>1</sub>	Earnings Dilution from issuance of CCET-WC
900,246,879	4,554,643,575	225,000,000	0.20	0.19	5.00%

#### 4.3 Control Dilution

$$\text{Control Dilution} = \frac{Q_{\text{esop}}}{(Q_0 + Q_{\text{esop}})}$$

As such, the result of calculation of control dilution can be illustrated as follows:

Q <sub>o</sub>	Q <sub>esop</sub>	Control Dilution from issuance of CCET-WC
4,554,643,575	225,000,000	4.71%

\*\* Remark: the dilution effects may be subject to change in consideration when the remaining portion of unexercised 197,450,000 units of CCET-WB is either partial or fully exercised prior to the Annual Shareholders' Meeting No.1/2018.

#### 5. Opinion of the Board of Directors on the necessity of the offering of the securities at a low price

- (1) The benefits in comparison with the difference between the offering price and the market price that the Company will lose will be worth the effort

The Board of Directors deemed that CCET-WC with the exercise price of Baht 2.16 is rewarding and beneficial to the Company in motivating the competent personnel who are a part of the Company's achievement; and that the benefits from the better performance of the Company is worth comparing with the discount granted from the difference between the offering price, the exercise price and the market price.

- (2) The market price and the offering price are reasonable

The Board of Directors is of the opinion that the exercise price of Baht 2.16 for CCET-WC which shall be considered as the discount price from the market price by 21.17%, is appropriate in persuading the personnel to put their best efforts to the Company's operations. In addition, the market price determination with reference to the weighted average price of 7 consecutive trading days prior to the date on which the Board resolved this matter (calculated based on the market price from 14 February – 22 February 2018 resulting in an average market price of Baht 2.74), is reasonable and appropriate as it reflects the real trading price of the Company's shares.

#### 6. Any other information that may impact decision of investors (if any)

The Company's investors should be acknowledged that any possible impact on total shareholders' return (e.g., in the form of dividend per share, or share price; if any) as a result from the performance of employees of the Company and/or subsidiaries by this CCET-WC scheme, could



be regained from motivation from these plan participants that could result increase in profit and share price eventually.

#### **7. Voting requirement**

The issuance and offer of Warrants to employees of the Company and/or subsidiaries under this program shall be approved by the shareholders' meeting with the votes of not less than three quarters (3/4) of all votes of the shareholders attending the meeting and having the rights to vote and must not be opposed by shareholders with an aggregate number of shares exceeding 10% of all votes of the shareholders attending the meeting.

#### **8. Financial assistance from the Company by sourcing funds for employees of the Company and subsidiaries**

The Company has no financial assistance policy by using rights conversion of the CCET-WC offered to employees of the Company and/or its subsidiaries.

9. Warrants issued and offered to the employees of the Company and/or its subsidiaries shall be under the rules, condition, and regulation of the Capital Market Supervisory Board No. Thor.Jor. 32/2551 regarding offering securities newly issued for sale to the directors or staff, dated December 15, 2008 and/or any related regulations.