

**Information Memorandum regarding the allocation
of the newly issued ordinary shares
Singer Thailand Public Company Limited
8 January 2019**

The Board of Directors Meeting Singer Thailand Public Company Limited (“**the Company**” or “**SINGER**”) No.226 held on 8 January 2019 has approved the issuance and offering of new ordinary shares. The details are as follows:

1. Offering Details

Offering amount of not exceeding 432,000,000 shares at the par value of Baht 1.00 per share as expressed below:

- 1.1 The Company shall issue and allocate newly issued ordinary shares of not exceeding 216,000,000 shares to the existing shareholders in proportion to their shareholding (Right Offering) in the ratio of 5 existing shares to 4 new shares (or 1.25 existing shares to 1 new shares), at the offering price which will have a discount of not lower than 10 percent but not higher than 20 percent of the market price. During the subscription period, the existing shareholders are entitled to subscribe the newly issued shares in excess of their proportionate entitlement (Excess Rights) at the same offering price by submitting their intention to subscribe ordinary shares in excess of their rights. The existing shareholders shall be allocated those shares subscribed in excess of their rights only if there are remaining shares after the allocation to all existing shareholders in proportion to their respective shareholdings. The offering of such remaining shares to each shareholder who submit their intention to subscribe ordinary shares in excess of their rights shall be allotted on a pro rata basis based on the shareholding of those existing shareholders who submit their intention to subscribe ordinary shares in excess of their rights. The process would be repeated until there are no remaining shares available.

In case the number of shares that the existing shareholders subscribe in excess of their rights are less than the number of shares remain from the proportionate allotment, the Company shall allot the remaining shares to the existing shareholders who subscribed for excess rights as specified in the subscription form, and paid all fee of their excess rights.

In case the number of shares that the existing shareholders subscribe in excess of their rights are greater than the number of shares remain from the proportionate allotment, the Company shall allot the remaining shares to each shareholder subscribe for excess rights on a pro rata basis which shall be based on the shareholding proportion. The process would be repeated until there are no remaining shares available. The Company will return the unallocated shares subscription payments to the shareholders without interest within 14 days from the subscription.

If there are any shares remaining after the allocation as aforementioned, the Company shall further propose the Shareholders Meeting to consider and approve the reduction of registered capital.

- 1.2 The Company shall issue newly issued ordinary shares of not exceeding 108,000,000 shares to reserve for exercising Warrants No. 1 (SINGER-W1) allocated to existing shareholder who subscribed newly issued ordinary shares and received the allocation of new ordinary shares offering to existing shareholders in proportion to their shareholding, without charge in the ratio of 2 new shares to 1 unit of warrant
- 1.3 The Company shall issue newly issued ordinary shares of not exceeding 108,000,000 shares to reserve for exercising Warrants No. 2 (SINGER-W2) allocated to existing shareholder who subscribed newly issued ordinary shares and received the allocation of new ordinary shares offering to existing shareholders in proportion to their shareholding, without charge in the ratio of 2 new shares to 1 unit of warrant
- 1.4 The Board of Directors or the Executive Committee and/or the person(s) entrusted by the Board of Directors or the Executive Committee shall be empowered
 - To consider and determine the details with regard to the issuance of newly issued ordinary shares which including but not limited to the date fixed to determine the names of shareholders who entitle to subscribe for new ordinary shares (Record Date), subscription period, offering price, Warrant issuance date, first and last exercise date, exercise of Warrants to purchase new shares, conditions necessary and relevant to the allocation and offering.
 - To execute the application and necessary supporting documents relevant to the issuance and allotment of the Right Offering shares together with Warrants, to contact and file such application and documents to the authorities or government agencies concerning the new share issuance and the listing of the new shares on the Stock Exchange of Thailand.
 - To correct words or texts in any related document such as minutes of meeting, memorandum, application form and/or take any action to comply with the Registrar request for the Company's capital register to the Department of Business Development, Ministry of Commerce.
 - To take any other action which are deemed necessary and appropriate to the issuance and allotment of the Right Offering shares and Warrants.

2 Purpose of Share Issuance and Capital Utilization Plan

The proceeds from the offering will be used in the Company's and/or the subsidiaries business as follows:

- (1) To be used as a working capital in the Company's and/or the subsidiaries business and repay debt
Estimated amount of 1,000 - 1,200 Million Baht, the proceeds will be used within Q4/2019
- (2) To be used for expansion of the secured retail loan, and commercial loan
Estimated amount of 300 Million Baht per year, the proceeds will be used during 2019 - 2021
- (3) To be used for expansion of the personal loan, and car registration loan
Estimated amount of 500 Million Baht per year, the proceeds will be used during 2019 - 2021

3 Shareholder Effects from Share Issuance

3.1 Price Dilution

$\text{Price Dilution} = \frac{\text{Market Price before offering} - \text{Market Price after offering}}{\text{Market Price before offering}}$
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Since the company will determine the offering price and the reference date to determine the market price afterward and the company has also issued and offered warrants to purchase ordinary shares together with newly issued ordinary shares in this time, the price dilution then depends upon the offering price and market price, as well as the exercise price which will be determined later. Nevertheless, price dilution in this information memorandum will be calculated from market price prior to the date of Board of directors' meeting as follows:

P_1 = The market price after offering which is calculated from

$$P_1 = (P_0 Q_0 + P_{RO} Q_{RO} + P_{WA1} Q_{WA1} + P_{WA2} Q_{WA2}) / (Q_0 + Q_{RO} + Q_{WA1} + Q_{WA2})$$

P_0 = The market price after offering calculated from weighted average market price 15 business days prior to the Board of Directors Meeting dated 8 January 2019 (during 14 December 2018 – 7 January 2019) which is equivalent to Baht 6.81 per share

P_{RO} = Offering price of newly-issued ordinary calculated from weighted average market price 15 business days prior to the Board of Directors Meeting dated 8 January 2019 (during 14 December 2018 – 7 January 2019) discounted by 20% which is equivalent to Baht 5.45 per share

P_{WA1} = Exercise price of SINGER-W1 calculated from weighted average market price 15 business days prior to the Board of Directors Meeting dated 8 January 2019 (during 14 December 2018 – 7 January 2019) plus an additional of 20% which is equivalent to Baht 8.18 per share

P_{WA2} = Exercise price of SINGER-W2 which is equivalent to Baht 14.00 per share

Q_0 = The number of shares prior to the offering of newly-issued ordinary together with warrants which is equivalent to 270,000,000 shares

Q_{RO} = The number of newly-issued ordinary shares offering which is equivalent to 216,000,000 shares

Q_{WA1} = The number of newly-issued ordinary shares accommodated for the exercise of SINGER-W1 which is equivalent to 108,000,000 shares

Q_{WA2} = The number of newly-issued ordinary shares accommodated for the exercise of SINGER-W2 which is equivalent to 108,000,000 shares

Therefore,

$$P_1 = (6.81 \times 270,000,000) + (5.45 \times 216,000,000) + (8.18 \times 108,000,000) + (14 \times 108,000,000) / (270,000,000 + 216,000,000 + 108,000,000 + 108,000,000)$$

= Baht 7.71 per share

and Price dilution = 13.22 %

3.2 Control Dilution

Control Dilution can be divided into two cases as follows:

(a) Since the new shares shall be offered to the existing shareholders in proportion to their respective shareholdings (Right Offering), the existing shareholders shall not be

affected from the Control Dilution if they subscribed the whole amount of new shares they are entitled to.

(b) If the shareholders do not subscribed the whole amount of new shares they are entitled to while others subscribed, the Control Dilution shall be equivalent to:

$$\text{Control Dilution} = \frac{\text{New Shares}}{(\text{Paid-up Shares} + \text{New Shares})}$$

$$\begin{aligned}\text{Control Dilution} &= 432,000,000 / (270,000,000 + 432,000,000) \\ &= 61.54\%\end{aligned}$$

3.3 Earnings per Share Dilution

Since the Company has suffered loss from the operation, it cannot be calculated.

4 Opinion of the Board of Directors

The Board of Directors of the Company has considered and given the opinions that the capital increase and plan for utilizing proceeds are reasonable and beneficial to the company. The proceeds received from capital increase will be used for working capital, loan repayment, business expansion and enhanced business potential of the company and/or the subsidiaries in accordance with the future plan. This will help reduce financial burdens and strengthen company's financial position, which will enable the Company to continue to operate sustainably.

5 Warranty of Directors

The Board of Directors certifies that the Board of Directors has performed its duty with honesty and has carefully preserved the benefit of the Company in relation to such increase of the registered capital. However, in case that such performance of duty causes damage to the Company, the shareholders are entitled to file a lawsuit to claim for damages from such director on behalf of the Company as specified in section 85 of the Securities and Exchange Act B.E. 2535. Moreover, in case that such performance of duty causes a director or his/her related person to obtain undue benefit, the shareholders shall be entitled to file a lawsuit to claim for such benefit from such director on behalf of the Company as specified in section 89/18 of the Securities and Exchange Act B.E. 2535.

By considering the fact and reason above, the Board of Directors has resolved to approve the capital increase agenda of the Company.

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


(Mr. Kittipong Kanokvilairat)
Chief Executive Officer


(Mrs. Nonglak Laksanapokin)
Director

