

Capital Increase Report Form
Sahathai terminal PUBLIC COMPANY LIMITED
August 14, 2019

We, Sahathai Terminal Public Company Limited (the “**Company**”), the office located at No. 51/1, Moo 3, Poochaosamingprai Road, Bangyaprak Sub-district, Prapradang District, Samuthprakarn Province, hereby report the resolutions of the Board of Directors’ Meeting No. 5/2019 held on August 14, 2019 from 3.30 p.m. to 4.30 p.m. in relation to the increase of the registered capital and the allocation of the newly issued ordinary shares as follows:

1. Capital Increase

The Board of Directors’ Meeting No. 5/2019 resolved to approve the increase of the Company’s registered capital by Baht 29,899,720 from the existing registered capital of Baht 298,999,981 to Baht 328,899,701, by issuing 59,799,440 newly issued ordinary shares with a par value of Baht 0.50 per share. Details of the capital increase are as follows:

Type of Capital Increase	Type of Shares	Number of Shares (Shares)	Par Value (Baht per Share)	Total (Baht)
<input checked="" type="checkbox"/> Specific purpose of utilizing the proceeds	Ordinary shares	59,799,440	0.50	29,899,720
<input type="checkbox"/> General mandate	Ordinary shares	-	-	-

2. Allocation of the newly issued shares (Specific purpose of utilizing the proceeds)

2.1 Details of the allocation

Allocated to	Number of Shares (Not exceeding)	Ratio (Existing: New)	Sale Price (Baht per Share)	Date and Time of Subscription and Share Payment	Remark
(1) Stock Dividend	55,199,996	Allocation Ratio: 10 existing ordinary shares to 1 stock dividend	-	Stock Dividend payment on Oct 1, 2019	Please see Remark No. 1

Allocated to	Number of Shares (Not exceeding)	Ratio (Existing: New)	Sale Price (Baht per Share)	Date and Time of Subscription and Share Payment	Remark
(2) To accommodate the adjustment of right under warrants to purchase the newly issued ordinary shares of Sahathai Terminal Public Company Limited No. 1 (PORT-W1) (the “ PORT-W1 Warrants ” or “ Warrants ”)	4,599,444	<u>Existing Exercise Ratio:</u> 1 unit of the Warrants to 1 newly issued ordinary share <u>Newly Exercise Ratio:</u> 0.9091 unit of the Warrants to 1 newly issued ordinary share	<u>Existing Exercise Price:</u> 6.50 <u>Newly Exercise Price:</u> 5.9091	The exercise of the rights to purchase the newly issued ordinary shares of the Company under the PORT-W1 Warrants shall be in accordance with the conditions on the exercise of the Warrants as stipulated in the Terms and Conditions Governing the Rights and Obligations of the Issuer and Holders of the Warrants to Purchase the Newly Issued Ordinary Shares of Sahathai Terminal Public Company Limited No. 1 (PORT-W1) (the “ Terms and Conditions ”)	Please see Remark No. 2

Remark:

1. The allocation of not exceeding 55,199,996 newly issued ordinary shares with a par value of Baht 0.50 per share for stock dividend at an allocation ratio of 10 existing ordinary shares to 1 newly issued ordinary share, the fraction of shares shall be paid in cash at the rate of THB 0.05 share. The company determines the list of eligible persons to attend the Extraordinary General Meeting of Shareholders No. 1/2019 and eligible to receive stock dividends and dividends (Record date) on August 30, 2019
2. The allocation of not exceeding 4,599,444 newly issued ordinary shares with a par value of Baht 0.50 per share to accommodate the adjustment of right under the PORT-W1 Warrants. Which originally assigned 1 unit of PORT-W1 warrants to purchase 1 new ordinary share at the exercise price of THB 6.50, which is determined that PORT-W1 warrants 0.9091 units have the right to purchase 1 new ordinary share at the exercise price of THB 5.9091.

3. Schedule of the shareholders' meeting to approve the capital increase and the allocation of the newly issued shares

The Company determined the date of 2019 Extraordinary General Meeting of Shareholders on September 28, 2019 at 14:00 p.m. at Ballroom 1, Sheraton Grande Sukhumvit Hotel, 250 Sukhumvit Road, Khlong Toei Sub-district, Khlong Toei District, Bangkok, 10110 and the date for determining the names of shareholders entitled to attend the 2019 Extraordinary General Meeting of Shareholders (Record Date) on August 30, 2019.

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 the registered capital and the amendment of the Memorandum of Association with the Department of Business Development, the Ministry of Commerce within 14 days after the date on which a resolution to approve the capital increase has been passed at the shareholders' meeting and the Company will register the amendment of the paid-up capital with the Department of Business Development, the Ministry of Commerce within 14 days after the date on which the Company receives the entire share payment.

4.2 The Company will apply for approval from the SET for listing the newly issued ordinary shares of the Company as follows:

4.2.1 The newly issued ordinary shares for stock dividend (as set out in table No. 2.1 (1))

4.2.2 The newly issued ordinary shares of the Company to accommodate the adjustment of right under the warrants to purchase the newly issued ordinary shares of Sahathai Terminal Public Company Limited No. 1 (PORT-W1) (as set out in table 2.1 (2))

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

5.1 The Company will issue and offer the newly issued ordinary shares with a specific purpose of utilizing the proceeds at the amount not exceeding 55,199,996 shares with a par value of Baht 0.50 per share for stock dividend.

5.2 The Company will issue and offer the newly issued ordinary shares with a specific purpose of utilizing the proceeds at the amount not exceeding 4,599,444 shares with a par value of Baht 0.50 per share to support the adjustment of the exercise ratio under the PORT-W1 warrants.

6. Benefits which the Company will receive from the capital increase/allocation of newly issued shares

6.1 To increase liquidity in the shares of the Company.

6.2 To retain the working capital of the Company.

7. Benefits which the shareholders will receive from the capital increase/allocation of newly issued shares

7.1 Dividend policy

The Company dividend payment policy at the rate of not less than 40 percent of the net profit according to the Company's separate financial statements after deduction of corporate income tax and legal reserve

as required by laws, and any obligations under loan agreement (with additional obligations). In this regard, the dividend payment rate can be adjusted depending on the Company's operating result, financial position, liquidity, investment plan, working capital needed for business operation, business expansion and other related factors in relation to the management of the Company as the Board of Directors and/or shareholders of the Company deem appropriate. However, there shall not be any accumulated loss on the equity.

- 7.2 After the stock dividend payment, the shareholders who have been allocated the stock dividend have the right to receive the dividend payment in the future.

8. Other details necessary for shareholders' consideration and approval of the capital increase/allocation of newly issued shares

- 8.1 Potential effects of the newly issued ordinary shares

8.1.1 Price dilution

Price dilution can be calculated as per the following formula:

$$\text{Price dilution} = \frac{(\text{Pre- issuing new share market price} - \text{Post- issuing new share market price})}{\text{Pre- Pre-issuing new share market price}}$$

Whereas:

Pre- issuing new share market price means the weighted average price of the Company's ordinary shares traded on the SET during 15 consecutive business days prior to the date of the Board of Directors' Meeting on August 14, 2019, i.e. from July 22, 2019 to August 13, 2019, which was equivalent to Baht 4.81 per share and

Post- issuing new share market price means $((\text{Pre- issuing new share market price} * \text{Number of paid-up shares}) + (\text{Offering price of ordinary shares for stock dividend} * \text{Number of ordinary shares for stock dividend}) + (\text{PORT-W1 Warrants exercise price} * \text{Number of shares issued to accommodate the exercise of PORT-W1 Warrants})) / (\text{Number of paid-up shares} + \text{Number of ordinary shares offered to the existing shareholders on a pro rata basis} + \text{Number of shares issued to accommodate the exercise of PORT-W1 Warrants})$

Whereas:

Pre-issuing new share market price	=	Baht 4.81 per share
Number of paid-up shares	=	551,999,962 shares
Offering price of ordinary shares offered to the existing shareholders on a pro rata basis	=	Baht 0.00 per share
Number of ordinary shares for stock dividend	=	55,199,996 shares
PORT-W1 exercise price	=	Baht 5.9091 per share
Number of shares issued to accommodate the exercise of PORT-W1 Warrants	=	50,599,444 shares

Post-offering market price

$$= \frac{(4.81 * 551,999,962) + (0 * 55,199,996) + (6.50 * 50,599,444)}{(551,999,962 + 55,199,996 + 50,599,444)}$$

$$= \text{Baht 4.49 per share}$$

Therefore, the Price dilution can be calculated as follows:

$$= \frac{(4.81 - 4.49)}{4.81}$$

$$= 6.65 \text{ percent}$$

After the issuance the newly issued ordinary shares of the Company together with the PORT-W1 Warrants to the existing shareholders on a pro rata basis and such shareholders fully exercise their rights under the PORT-W1 Warrants, the price dilution will be 6.65 percent.

8.1.2 Control dilution

The issuance of new ordinary shares to pay dividend of the company, does not affect the dilution of the shareholding (Control Dilution) but the adjustment of rights in the PORT-W1 warrants which the holders may not be the same person as the shareholders Therefore may affect the reduction of shareholding proportion (Control Dilution) to that shareholder as follows.

$$\text{Control dilution} = \frac{\text{Number of shares issued to accommodate the adjustment of PORT-W1 Warrants} / (\text{Number of paid-up shares} + \text{Number of ordinary shares for stock dividend} + \text{Number of shares issued to accommodate the exercise of PORT-W1 Warrants})$$

Therefore, Control dilution can be calculated as per the following formula:

$$= \frac{4,599,444}{(551,999,962 + 55,199,996 + 50,599,444)}$$

$$= 0.70 \text{ percent}$$

In the case that the existing shareholder does not exercise his/her right to subscribe all amount of the newly issued ordinary shares on a pro rata basis, it will affect the control dilution which is equivalent to 0.70 percent.

8.1.3 Earnings per share (EPS) dilution

EPS dilution can be calculated as per the following formula:

$$\text{EPS dilution} = \frac{(\text{Pre-issuing new share EPS} - \text{Post-issuing new share EPS}) / \text{Pre-issuing new share}}$$

Whereas:

Pre-offering EPS = Net profit (loss) of the Company during the last 4 quarters / Number of paid-up shares

Net profit (loss) of the Company during the last 4 quarters can be calculated by the net profit only of the shareholders' equity part during the last 4 quarters, from 3rd quarter of 2018 to 2nd quarter of 2019 which was equivalent to Baht 132,095,049.

Number of paid-up shares = 551,999,962 shares
as of August 9, 2019

$$= \frac{132,095,049}{551,999,962}$$

= Baht 0.24 per share

Post-offering EPS = Net profit of the Company during the last 4 quarters / (Number of paid-up shares + Number of ordinary shares for stock dividend + Number of shares issued to accommodate the exercise of PORT-W1 Warrants)

Net profit (loss) of the Company during the last 4 quarters can be calculated by the net profit only of the shareholders' equity part during the last 4 quarters, from 3rd quarter of 2018 to 2nd quarter of 2019 which was equivalent to Baht 132,095,049.

Number of paid-up shares = 551,999,962 shares
as of August 9, 2019

Number of ordinary shares = 55,199,996 shares
for stock dividend

Number of shares issued to accommodate the exercise = 50,599,444 shares
of PORT-W1 Warrants

$$= \frac{132,095,049}{(551,999,962 + 55,199,996 + 50,599,444)}$$

= Baht 0.20 per share

Therefore, the EPS dilution can be calculated as per the following formula:

$$= \frac{(0.24 - 0.20)}{0.24}$$
$$= 16.67 \text{ percent}$$

Therefore, after the issuance and offering the newly issued ordinary shares of the Company together with the PORT-W1 Warrants to the existing shareholders on a pro rata basis, it will affect the EPS equivalent to 16.67 percent.

9. Schedule of actions in case the Board of Directors passes a resolution to approve the capital increase/allocation of newly issued shares:

No.	Actions	Date / Month / Year
1.	The Board of Directors' Meeting No. 5/2019	August 14, 2019
2.	The date for determining the names of shareholders entitled to attend the 2019 Extraordinary General Meeting of Shareholders (Record Date)	August 30, 2019
3.	The 2019 Extraordinary General Meeting of Shareholders	September 28, 2019
4.	Registration of capital increase and the amendment of the Memorandum of Association of the Company with the Department of the Business Development, the Ministry of Commerce	Within 14 days from the date of the shareholders' meeting's resolution
5.	Stock dividend date of the newly issued ordinary shares	
5.1	The date for determining the names of shareholders entitled to subscribe the stock dividend (Record Date)	August 30, 2019
5.2	Dividend payment date	October 7, 2019
6	Registration of capital increase with the Department of the Business Development, the Ministry of Commerce	Within 14 days from the date on which the share payment is received in full
7	Listing the newly issued ordinary shares of the Company on SET	Will be informed accordingly

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

Please be informed accordingly.

Sincerely yours,

Sahathai Terminal Public Company Limited

Mrs. Sauwakun Karuchit

Director

Mr. Anggoon Srisoonthorn

Director