

Preliminary details of the Issuance and Offering of the Newly-Issued Ordinary Shares of Hinsitsu (Thailand) Public Company Limited to Directors, Executives, and Employees of HST and HST's Subsidiaries (HST ESOP)

The issuance and offering of the newly-issued ordinary shares of Hinsitsu (Thailand) Public Company Limited (“**HST**”) to Directors, Executives, and Employees of HST, and its subsidiaries, namely, (i) Simat Label Co., Ltd. which HST is a shareholder in the proportion of 99.99 percent of its total shares; and (ii) Hinsitsu Precision (Thailand) Co., Ltd. which HST is a shareholder in the proportion of 75.01 percent of its total shares (Collectively referred to as the “**Subsidiaries**”) (“**HST ESOP**”), have to be approved by the shareholders meeting of Simat Technologies Public Company Limited (“**SIMAT**”), as the HST’s shareholder holding shares in the amount of 60 percent of the total paid-up capital of HST according to the criteria and conditions under the Notification of the Capital Market Supervisory Board No. Torchor. 32/2008 Re: Offering of newly issued securities to directors or employees dated on 15 December 2008 (as amended) (the “**Notification No. Torchor. 32/2008**”) and depend on the result of the issuance and offering of the newly-issued ordinary shares in the initial public offering (IPO) and the subsequent listing of HST’s shares on the Market for Alternative Investment (MAI) (the “**MAI**”).

1. Objectives and Necessity

- 1) To provide an incentive to directors, executives, and employees of HST and the Subsidiaries for their willingness to work for the best interest of HST and the shareholders of HST.
- 2) To create motivation for the directors, executives, and employees of HST and the Subsidiaries and reward for the performance of directors, executives, and employees of HST and the Subsidiaries by being part of performance of HST, including being as owners, who have the same objectives as the shareholders in order to enhance HST for an efficiency and sustainable growth.
- 3) To provide incentives to directors, executives, and employees of HST, and the Subsidiaries, who have outstanding work and are hard to replace in working with HST for the achievement of sustainable business growth.

2. Details of the newly-issued ordinary shares offered to directors, executives, and employees of HST and the Subsidiaries

Issuer	:	Hinsitsu (Thailand) Public Company Limited
Type of Securities	:	The newly issued ordinary shares of Hinsitsu (Thailand) Public Company Limited to be allocated to directors, executives, and employees of HST and the Subsidiaries.
Number of Newly- issued Ordinary Shares offered to directors, executives, and employees of HST and the Subsidiaries	:	The total number shall not exceed 8,000,000 shares (Eight Million Shares) at par value of THB 0.50 per share (amended par value), equivalent to 3.17 percent of total number of HST’s sold shares after the issuance and offering of the newly-issued ordinary shares by way of the Initial Public Offering (“ IPO ”).

In this regard, the number of newly issued ordinary shares and sale value offered to directors, executives, and employees of HST and the Subsidiaries will be disclosed in the submission of a registration statement and draft prospectus of the newly issued ordinary shares of HST by way of the IPO.

- Offering Price : Offering price per ordinary share offered to directors, executives, and employees of HST and the Subsidiaries, equivalent to 90 percent of the offering price of ordinary shares in the IPO (IPO Price).
- Offering Period : HST will offer the newly issued ordinary shares to directors, executives, and employees of HST and the Subsidiaries at the same period of the offering the newly issued ordinary shares by way of IPO, which will be offered after HST receive the approval from the Securities and Exchange Commission (the "SEC Office").
- Secondary Market of Ordinary Shares : HST will take the total newly-issued ordinary shares being issued and offered then listing in the MAI.

3. Criteria and conditions for the allocation of the newly-issued ordinary shares offered to directors, executives, and employees of HST and the Subsidiaries

3.1 Qualification of directors, executives, and employees

3.1.1 Director

means director who is a part of day to day operation of HST and the Subsidiaries on the date to determine the list of person entitled to the allocation of the newly-issued ordinary shares offered to directors, executives, and employees of HST and the Subsidiaries and shall have the position as the director of HST and the Subsidiaries on the offering date.

3.1.2 Executive and employee

means executive and employee of HST and the Subsidiaries in which is operating over the period not less than 1 year and has the status of executives or employees of HST and the Subsidiaries on the offering date.

3.2 The number of the newly-issued ordinary shares in which each of executives, employees who are entitled to the allocation, may not be the same amount depend on the position, experience, responsibility, term of employment, achievement, capability, efficiency, and past performance, including potential benefit to HST in the future.

Criteria in the allocation of the newly-issued ordinary share offered to executives, and employees of HST and the Subsidiaries, as follows:

3.2.1 Criteria as the position

Position	Number of shares to be allocated (shares)
Leader / Officer	$10,000 \leq x < 20,000$
Supervisor	$20,000 \leq x < 100,000$
Assistant Manager	$50,000 \leq x < 300,000$
Manager	$100,000 \leq x < 390,000$
Senior Manager	$200,000 \leq x < 400,000$
C Level and above	450,000

3.2.2 Criteria as in the term of employment

Term of Employment	Number of shares to be allocated (shares)
5 year \leq x < 10 year	$10,000 \leq x < 20,000$
Over 10 years	20,000

The number of allocation of the newly-issued ordinary shares to be offered to executives, and employees of HST and the Subsidiaries, will consider to be allocated to executives, and employees of HST who have the qualification in accordance with any criteria as above mentioned. However, in case of employees are in the position of the Leader or Officer, who have the qualification in accordance with 2 criterias, such employees will be allocated at the higher amount.

The Chief Executive Officer of HST and/or a person designated by the Chief Executive Officer of HST, may consider the allocation of the newly-issued ordinary shares to be offered to directors, executives, and employees of HST and the Subsidiaries as it's appropriated.

In this Regard, the issuance and offering the newly-issued ordinary shares to directors, have the offering price, including the criteria and conditions of the security which is not better than the newly-issued ordinary shares to executives and employees.

4. List of all directors entitled to the allocation of the newly-issued ordinary shares

No.	Name-Surname	Position(s)	Number of Allocated Newly Issued Ordinary Shares (Shares)	Percentage entitled for the allocation
1.	Mr. Chen Kwan Sin	Director / Chief Executive Officer of HST / Chairman of the Executive Committee of HST / Director of the Subsidiaries	450,000	5.63
2.	Mr. Vincent Lau Bick Yeong	Director of HST / Managing Director of HST / Member of the Executive Committee of HST / Member of the Risk Management Committee of HST / Member of the Nomination and	450,000	5.63

No.	Name-Surname	Position(s)	Number of Allocated Newly Issued Ordinary Shares (Shares)	Percentage entitled for the allocation
		Remuneration Committee of HST / Director of the Subsidiaries		
3.	Mr. Teeranut Thangsatapornpong	Director / Chief Financial Officer of HST / Chairman of the Risk Management Committee and the Executive Committee of HST / Director of the Subsidiaries	450,000	5.63
4.	Mr. Siraphop Lamchan	Director, Member of the Executive Committee and Member of the Risk Management Committee of HST / Director of the Subsidiaries, and Managing Director of Simat Label Co., Ltd.	450,000	5.63

5. List of executives who are entitled the allocation of the newly-issued ordinary shares of HST exceed 5 percent of the number of newly-issued of ordinary shares and allocated shares

No.	Name-Surname	Position (s)	Number of Allocated Newly Issued Ordinary Shares (Shares)	Percentage Entitled for the Allocation
1	Mr. Choi Kar Kit	Chief Operation Officer of HST / Member of the Executive Committee of HST / Member of the Risk Management Committee of HST	450,000	5.63

6. The detail of all of the directors and executives entitled to the allocation of the newly-issued ordinary shares offered to directors, executives, and employees more than 5 percent of the total number of shares offered to directors, executives, and employees.

No.	Name - Surname	Position(s)	Number of allocated newly issued ordinary shares (Shares)	Percentage of the allocated newly issued ordinary shares	Benefits in monetary term	Opinions of the Board of Directors and the Nomination and Remuneration Committee	Number of time attending and absence from HST's Board of Directors meeting and attended in previous one year	Amount and characteristics of the total compensation received from HST and the Subsidiaries in the last year (THB)
1.	Mr. Chen Kwan Sin	Director of HST / Chief Executive Officer of HST / Chairman of Executive Committee of HST / Director of the Subsidiaries	450,000	5.63	There is benefits in monetary term as the offering price is at 90 percent of IPO price but cannot be calculated as the IPO price has not been determined.	Currently in the position of Director of HST / Chief Executive Officer of HST / Chairman of Executive Committee of HST and the authorized director of HST and the Subsidiaries who was a key figure in the establishment of HST. There was a pivotal figure in the formation of HST. He has nearly 20 years of experience and knowledge in managing and managing silkscreen businesses, assisting HST during the economic crisis and business volatility, and has always been committed to operating in the best interests of HST, which is an important mechanism that drives and develops HST. He is an essential person in driving and supporting investment and business expansion in various fields of the group of companies, particularly expertise in sales, marketing, and machinery	8/8	3,806,403.08 Remuneration in the form of salary, social security, provident fund, accommodation allowance (no meeting allowance)

No.	Name – Surname	Position(s)	Number of allocated newly issued ordinary shares (Shares)	Percentage of the allocated newly issued ordinary shares	Benefits in monetary term	Opinions of the Board of Directors and the Nomination and Remuneration Committee	Number of time attending and absence from HST's Board of Directors meeting and attended in previous one year	Amount and characteristics of the total compensation received from HST and the Subsidiaries in the last year (THB)
						procurement, which is a critical mechanism in the organization's production. The allocation of the newly issued ordinary shares is considered as a reward and an incentive for more efficient operations. This will ultimately result in HST and the company group having better performance.		
2.	Mr. Vincent Lau Bick Yeong	Director of HST / Managing Director of HST / Member of the Executive Committee of HST / Member of the Risk Management Committee of HST / Member of the Nomination and Remuneration Committee of HST / Director of the Subsidiaries	450,000	5.63	There is benefits in monetary term as the offering price is at 90 percent of IPO price but cannot be calculated as the IPO price has not been determined.	Currently in the position of Director / Managing Director / Executive Director / Member of the Risk Management Committee and Member of the Nomination and Remuneration Committee and the authorized director of HST and the Subsidiaries. He is an experienced person with a broad vision to be a leader in policy making, HST's strategy, and can bring silkscreen business knowledge to develop the organization to get through the economic crisis and business volatility and has always been committed to operating in the best interests of HST as the expansion of silkscreen business to In- Mold	88	3,857,792.49 Remuneration in the form of salary, social security, provident fund, accommodation allowance (no meeting allowance)

No.	Name – Surname	Position(s)	Number of allocated newly issued ordinary shares (Shares)	Percentage of the allocated newly issued ordinary shares	Benefits in monetary term	Opinions of the Board of Directors and the Nomination and Remuneration Committee	Number of time attending and absence from HST's Board of Directors meeting and attended in previous one year	Amount and characteristics of the total compensation received from HST and the Subsidiaries in the last year (THB)
						<p>Decoration "IMD" business through new potential customers target in the relevant industry, which caused HST to have better performance in the future. The allocation of the newly issued ordinary shares is considered as a reward and an incentive for more efficient operations. This will ultimately result in HST and the group having better performance.</p>		
3.	Mr. Teeranut Thangsatapornpong	Director of HST / Chief Financial Officer of HST / Chairman of the Risk Management Committee / Member of the Executive Committee of HST / Director of the Subsidiaries	450,000	5.63	There is benefits in monetary term as the offering price is at 90 percent of IPO price but cannot be calculated as the IPO price has not been determined.	Currently in the position of Director / Chief Financial Officer / Chairman of Risk Management Committee and Executive Committee and the authorized director of HST and the Subsidiaries. He is knowledgeable and capable of managing and managing HST to achieve its objectives. He is an experienced individual with a broad vision to be a leader in policymaking, HST strategy, and has always been committed to operating in the best interests of HST, allowing HST to grow with more	88	1,631,600 Remuneration in the form of salary, social security, provident fund, accommodation allowance (no meeting allowance)

No.	Name – Surname	Position(s)	Number of allocated newly issued ordinary shares (Shares)	Percentage of the allocated newly issued ordinary shares	Benefits in monetary term	Opinions of the Board of Directors and the Nomination and Remuneration Committee	Number of time attending and absence from HST's Board of Directors meeting and attended in previous one year	Amount and characteristics of the total compensation received from HST and the Subsidiaries in the last year (THB)
						profits in the future. The allocation of the newly issued ordinary shares is considered as a reward and an incentive for more efficient operations. This will ultimately result in HST and the group having better performance.		
4.	Mr. Siraphop Lamchan	Director of HST / Member of the Executive Committee of HST / Member of the Risk Management Committee of HST / Director of the Subsidiaries and Managing Director of Simat Label Co., Ltd.	450,000	5.63	There is benefits in monetary term as the offering price is at 90 percent of IPO price but cannot be calculated as the IPO price has not been determined.	Currently in the position of Director / Executive Committee and Risk Management Committee and the authorized director of HST and the Subsidiaries, including He is managing Director of Simat Label Co., Ltd. (which HST is a shareholder in the proportion of 99.99 percent of its total shares). He is an experienced person who has a broad vision knowledge and experiment in the label business. He is a leader in new product development of Simat Label Co., Ltd. and creative in designing and developing new products therefore, HST has products that can meet the needs of customers as well and have the ability to	88	4,486,673 Remuneration in the form of salary, social security, provident fund, accommodation allowance (no meeting allowance)

No.	Name – Surname	Position(s)	Number of allocated newly issued ordinary shares (Shares)	Percentage of the allocated newly issued ordinary shares	Benefits in monetary term	Opinions of the Board of Directors and the Nomination and Remuneration Committee	Number of time attending and absence from HST's Board of Directors meeting and attended in previous one year	Amount and characteristics of the total compensation received from HST and the Subsidiaries in the last year (THB)
						<p>compete. It also encourages the Subsidiaries to expand their investments and apply for BOI promotions in order to fully enjoy various benefits from the BOI, as well as to strive to develop HST for more profitable growth in the future. The allocation of the newly issued ordinary shares is considered as a reward and an incentive for more efficient operations. This will ultimately result in HST and the group having better performance.</p>		
5.	Mr. Choi Kar Kit	Chief Operation Officer of HST / Member of the Executive Committee of HST / Member of the Risk Management Committee of HST	450,000	5.63	There is benefits in monetary term as the offering price is at 90 percent of IPO price but cannot be calculated as the IPO price	Currently in the position of Chief Operation Officer of HST / Executive Committee and Risk Management Committee. He is a person with excellent knowledge, skills, and experience in silkscreen production and related businesses who can bring silkscreen production knowledge to the organization to help it get through the economic crisis and business volatility. He played an important role in HST's strategy to expand HST's business, thus helping to support	N/A	2,991,341.53 Remuneration in the form of salary, social security, provident fund, accommodation allowance (no meeting allowance)

No.	Name – Surname	Position(s)	Number of allocated newly issued ordinary shares (Shares)	Percentage of the allocated newly issued ordinary shares	Benefits in monetary term	Opinions of the Board of Directors and the Nomination and Remuneration Committee	Number of time attending and absence from HST's Board of Directors meeting and attended in previous one year	Amount and characteristics of the total compensation received from HST and the Subsidiaries in the last year (THB)
					has not been determined.	HST's business to have more opportunities for business expansion. This will play a significant role in making HST more profitable and competitive in the future. The allocation of the newly issued ordinary shares is considered as a reward and an incentive for more efficient operations. This will ultimately result in HST and the group having better performance.		

7. Dilution Effects on the Shareholders.

7.1 Effects on Price Dilution of HST's shares

In the case whereby the allocation of the newly-issued ordinary shares, are offered to directors, executives, and employees of HST, and the Subsidiaries in the number of not exceeding 8,000,000 shares. The market price of HST's shares will **decrease by 0.32 percent** based on the assumption that the market price of HST's shares is the IPO Price and the offering price of the newly-issued ordinary shares to be offered to directors, executives, and employees of HST and the Subsidiaries is equivalent to 90.00 percent of market price as mentioned.

Details of Calculation

The market price of HST's shares is the IPO offering price (P price) and the price of ESOP has discount at 10 percent, which is equivalent to 0.9 x P, the method of calculation will effects on shares price dilution as follows:

Price Dilution	$= \frac{\text{Price } P - \text{Market Price after offering}}{\text{Market Price after offering}}$ <p>By Market Price after offering</p> $= \frac{[(P \times \text{total number of shares not included ESOP}^*) + (0.9 \times P \times \text{number of shares sold ESOP}^*)]}{\text{the total number of HST's shares (After offering IPO and selling of ESOP)}^*}$ $= \frac{(P \times 244,000,000) + 0.9P \times 8,000,000}{252,000,000} = 0.997P$ <p>Therefore, the calculation of Price Dilution = $(P - 0.997P) / 0.997P$ = 0.32%</p>
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7.2 Effects on Earning per Share Dilution and effects on Control Dilution of HST.

The offering of the newly issued ordinary shares of HST to directors, executives, and employees of HST and the Subsidiaries in this occasion shall not exceed 8,000,000 shares with the par values of THB 0.50, the portion is not exceeding 3.17 percent of the total number of sold shares of HST after the issuance and offering newly issued ordinary shares of HST by way of the IPO. Therefore, it will effect on earnings per share dilution or voting right of the HST's shareholders **decreased not less than 3.17 percent** of earning portion or voting rights of the HST's shareholders.

Details of Calculation

Control Dilution and Earning per share	$= \frac{\text{number of ESOP offering share}}{\text{the total number of HST's share (After offering by way of the IPO and selling ESOP)}}$ $= 8,000,000 / 252,000,000$
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Dilution	= 3.17%
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8. Right of the Shareholders to Oppose the Issuance and Offering of the newly-issued shares to be offered to directors, executives, and employees of HST and the Subsidiaries.

8.1 The issuance and offering of the newly-issued shares to be offered to directors, executives, and employees of HST and the Subsidiaries must be approved by the shareholders' meeting of SIMAT by votes of no less than three-quarters (3/4) of the total voting rights of the shareholders present and entitled to vote, and there shall not be opposed by shareholders holding shares in an aggregate number of more than 10 (ten) percent of the shareholders present for the offering of the newly-issued ordinary shares of HST to directors, executives, and employees of HST and the Subsidiaries as in accordance to the Notification No. TorChor. 32/2008.

8.2 In the case of issuance and offering the newly issued ordinary shares to any one of directors, executives, and employees of HST and the subsidiaries under HST ESOP exceeds 5 percent of the total number of the ESOP shares under the HST ESOP, the allocation for each individual must be approved by the shareholders' meeting with affirmative vote of not less than three-quarters (3/4) of the total voting rights of the shareholders present and entitled to vote, and there shall be no more than 5 (five) percent of the total votes of the shareholders present voting against the issuance and the offering of newly-issued ordinary shares of HST under HST ESOP as in accordance to the Notification No. TorChor. 32/2008.

9. Description and Conditions of the newly-issued shares to be offered to directors, executives, and employees of HST and the Subsidiaries.

The issuance and offering of the newly-issued shares to be offered to directors, executives, and employees of HST and the Subsidiaries will be in compliance with Notification No. TorChor. 32/2008, as well as other relevant laws, notifications, and regulations.

10. Independent directors available for the appointment of proxy to attend the meeting and exercise the rights on behalf of the shareholders.

- 1 Mr. Yanapol Rakkasikorn
- 2 Mr. Kritpong Wongmahatthana
- 3 Miss Napaporn Mesayanon