



บริษัท ควอลิเทค จำกัด (มหาชน)
Qualitech Public Company Limited

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ACC1/17-005

January 16, 2017

Subject Notification of the Resolution of the Board of Directors' Meeting No. 1/2017
Attention The President
The Stock Exchange of Thailand

Attachments 1. Capital Increase Report Form (F53-4)
2. Preliminary Details of the Issuance and Offering of Warrant of Qualitech Public Company Limited to the Management and Employees of the Company and its Subsidiaries

Qualitech Public Company Limited ("the Company") would like to submit the resolution of the Board of Directors' Meeting No. 1/2017 held on Saturday, January 14, 2017 at 9.00 hrs. at The Emerald Hotel, 3rd Floor, Prakaypetch Room, No. 99/1 Ratchadapisek Road, Dindeang, Bangkok. The details are as follows:

1. Approved to propose the shareholders' meeting to consider and approve the issuance and offering of 4,900,000 units of warrant to the Company's and its subsidiaries' management and/or employees ("ESOP-W#2") in accordance with the Notification of the Capital Market Supervisory Board TorJor 32/2008 Re: The Issuance and Offering of Securities to Directors or Employees. The objectives of these ESOP-Warrants are to reward the Company's management and/or employees for their dedication and contribution to the Company's success as well as to impel and motivate the determination of those management and/or employees in order to stimulate sustainable development. Further details of ESOP-Warrants are presented in the Capital Increase Report Form (F53-4) and Preliminary Details of the Issuance and Offering of Warrant of Qualitech Public Company Limited to the Management and Employees of the Company and its Subsidiaries.

2. Approved to propose the shareholders' meeting to consider and approve an increase of the Company's registered capital from the existing registered capital of Baht 98,568,485 to Baht 103,468,485 by issuing 4,900,000 ordinary shares at a par value of Baht 1.00 each, in order to reserve for the exercise of the ESOP-Warrants.

3. Approved to propose the shareholders' meeting to consider and approve an amendment of Clause 4 of the Company's Memorandum of Association to be in accordance with the increase of registered capital as follows:

"Clause 4

The registered capital:	103,468,485	Baht
Divided in to	103,468,485	Shares
At par value of	1	Baht
Divided into:		
Ordinary shares	103,468,485	Shares
Preferred shares	-	Shares"

4. Approved to propose the shareholders' meeting to consider and approve an allotment of 4,900,000 shares at a par value of Baht 1.00 per share to reserve for the exercise of ESOP-W#2.

5. Approved to ratified a related transaction to the office rental with the details as follows:

5.1 Transaction Date: - 1 November 2016 to – 31 October 2018

5.2 Related Parties:

Renter - QLT International Company Limited (Qualitech Public Company Limited held 99.99% share capital)

Lessor - Ms.Yanakorn Rattakham

Relationship between Renter And Lessor - Ms.Yanakorn Rattakham is a daughter of the Company's director and shareholder. The entering into mentioned transaction shall be conducted under the regulations stated in the Notification of the Capital Market Supervisory Board No.Thor. Jor. 20/2551 Re: Rules on Connected Transactions and the Notification of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003

5.3 General Characteristics of the transactions.

Transaction size - The office rental to related parties, the transaction is in line with the connected transaction according to the Notification of the Capital Market Supervisory Board on Rules of the Connected Transactions, in type of assets or service related transaction of which its value is Baht 0.53 million or 0.12% of NTA of the Company and its subsidiaries on September 30, 2016. This transaction size is above 0.30% but less than 3% of NTA of the Company and its subsidiaries on September 30, 2016 which requires an approval from the Company's Board of Directors and subsequently are reported to the SET, with no approval from the Shareholders' Meeting required.

5.4 Details of the office rental

Type of the office rental - 4 storey townhouse, area of 52.4 square meters.
Address - No. 406 Soi Pattanakarn 44, Suan Luang Sub-District, Suan Luang District, Bangkok

5.5 Total value of the rental - The price of Baht 528,000 (Five Hundred and Twenty-Eight Thousand)

5.6 Purpose of transaction - To be use as a work place.

5.7 Directors who are the related persons and having no voting right - Mr.Sannpat Rattakham
neither attended the meeting nor had right to vote.

5.8 Comments of the Company's Directors :

The Board of Directors considered the transaction as appropriate due to the usage in the Company' operation.

5.9 Comments of Audit Committee and directors who disagreed :

- None

Please be informed accordingly



Mr. Sannpat Rattakham
Managing Director

(F 53-4)

Capital increase report form
QUALITECH PUBLIC COMPANY LIMITED

16 January 2017

We, Qualitech Public Company Limited, hereby report on the resolution of Board of Director's meeting no. 1/2017, held on Saturday, 14 January 2017 at 9.00 a.m. at The Emerald Hotel, 3rd floor, Prakaipetch Room located on Ratchada Rd., Din Daeng, Bangkok 10400 relating to a capital increase/share allotment as follows:

1. Capital increase:

The Board of Directors' Meeting passed a resolution approving the increase of the company's registered capital by Baht 4,900,000 from Baht 98,568,485.00 to Baht 103,468,485.00 by issuing capital increase ordinary shares in the number of 4,900,000 shares at a par value of 1.00 Baht.

Type of capital increase	Type of share	Number of shares (shares)	Par value (THB/share)	Total (THB)
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds	Ordinary	4,900,000	1.00	4,900,000
	Preferred	-	-	-
<input type="checkbox"/> General mandate	Ordinary	-	-	-
	Preferred	-	-	-

2. Allotment of new shares:

2.1 If specifying the purpose of utilizing proceeds

Allotted to	Number of shares (shares)	Ratio (old : new)	Sale price (THB/share)	Subscription and payment period	Note
Existing Shareholders of the Company according to their shareholding position (Rights Offering)					-

To support the exercise of warrants					
To support the rights adjustment of ESOP warrant allotted to management and employee of the Company due to the issue and offering of newly issued ordinary share to existing shareholder of the Company	4,900,000	-	0.00 (Exercise Price at 7.30 Baht per Unit)		

Note:

The Board of Directors' Meeting No. 1/2017 held on 14 January 2017 resolved as follows:

1. To allot the newly issued shares of the Company in the number of 4,900,000 shares with the par value of 1.00 baht, as the shares reserved for the exercise right of the Ordinary Share-Purchase Warrants of Qualitech Public Company Limited to the Management and Employees of the Company. The exercise ratio is 1 ESOP- Warrant for 1 share.

In addition, the board meeting authorized the board of executive and/or the managing director and/or a person authorized by the board of executive to consider and determine, but not limited to, (1) determining and amending the terms and condition which are required and related to the issuance and offering of the ESOP-Warrant to the Management and Employees of the Company only at what law and regulation allow and not to change the significant of such condition such as method and regulation of allotment, date and time for subscription of ESOP-warrant ; (2) entering into negotiation, agreement and execution of the relevant documents and agreements; (3) executing any application for approval, waiver and evidence necessary and related to the allotment of the ESOP-Warrant to the Management and Employees of the Company, including contacting and submitting such applications for approval or waiver, document or evidence to government agencies or relevant authorities and the listing of the capital increase ordinary shares on the Stock Exchange of Thailand.

2.2 The Company's plan in case there is a fraction of shares remaining

- Any fraction of shares from the calculation of such allotment shall be disregarded.

3. Schedule for a shareholders' meeting to approve the capital increase/allotment

The Board of Director meeting 2/2017 which will be held by the end of February, 2016 will schedule the date, venue and time of the annual shareholder meeting 2017

4. Approval of the capital increase/share allotment by relevant governmental agency and conditions thereto (if any)

The Company will apply for approvals from MAI for listing of share converted from ESOP on MAI

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

The company will use the fund from the conversion of ESOP to ordinary share as a working capital. The total fund that will be raised from the conversion which shall be used as working capital shall not exceed 35.77 million Baht

6. Benefits which the Company will receive from the capital increase/share allotment:

To motivate and compensate for the hard work done by the management and employee. In addition, this will encourage warrant receivers and allow them to feel the sense of owning the company. As a result, the company will benefit from an increase of efficiency of the employees.

7. Benefits which shareholders will receive from the capital increase/share allotment:

The increase in registered capital and allocation of newly issued share create from ESOP warrant converted by the management and employees will cause dilution to shareholder of the company which explained in the attached document 2

8. Schedule of action if the board of directors passes a resolution approving the capital increase or allotment of new shares:

No.	Procedures of the capital increase	Date/Month/Year
1	Board of Directors meeting to approved the issue and the allotment of new shares	14 January 2017
2	Announce the board of director resolution to MAI	16 January 2017
3	The Record date for the right to attend the annual shareholder meeting 2017 (Record Date)	Shall be determined by the board of director meeting

4	The closing date of the share register for determining the right to attend the annual shareholder meeting 2017	2/2017 which will be held by February, 2017
5	Annual shareholder meeting 2017	
6	Registration of paid-up capital with the Ministry of Commerce	Within 14 days after the last day of subscription period

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

Sincerely Yours,



(Mr.Sannpat Rattakham)
Managing Director

Summary of the Scheme in Relation to the Issuance and Offering for Sale of Warrants to
Purchase the Ordinary Shares of Qualitech Public Company Limited
Issued to Executive and Employees of the Company No.2 (ESOP-W2)

1. Objectives and Necessities

The objectives of allocation of warrants to executive and employees of Qualitech Public Company Limited are as follow;

- 1.1 To be a motivation and reward for the executive and employees that involved in the company's success over the past years
- 1.2 Opportunity for the employee to become a shareholder
- 1.3 To be a compensation and reward to the employees for their commitment and dedication for working with the company.
- 1.4 To retain the executives and employees with outstanding performance to work with the Company in long run

2. Preliminary details of Warrants to Purchase Ordinary Shares

- Name of Securities : Warrants to Purchase the Ordinary Shares of Qualitech Public Company Limited issued to Executive and Employees of the Company No.2 (ESOP-W2)
- Type of Warrants : Registered certificate and non-transferable warrants
- Number of Warrants : 4,900,000 units
offered for Sale
- Number of ordinary : 4,900,000 shares
shares reserved to
accommodate the
exercise of the
Warrants
- Issue Date : The date to be determined by the Board of Director after approved by the Shareholders Meeting
- Offering Method : Offered to Executive and Employees of the Company and its
-

subsidiary according to the criteria, condition and procedures specified by the Company.

- Offering Price per Unit : Baht 0.00 per Unit
- Exercise Ratio : 1 unit of Warrants for 1 ordinary share (Subject to adjustment in accordance with the terms and conditions of ESOP-W2)
- Exercise Price : Baht 7.30 per share (Par Value 1.00 Baht) (Subject to adjustment in accordance with the terms and conditions of ESOP-W2)
- Term : 3 Years from the date on which the warrants are issued and offered.
- Exercise Date and Duration to Exercise : The exercise date of the warrant are as follows;
- First Time Warrant Holder may exercise not exceed 20% of all allocated Warrant. Exercise date has set to be on 15 September 2018
 - Second Time Warrant Holder may exercise not exceed 40% of all allocated Warrant. Exercise date has set to be on 15 March 2019
 - Third Time Warrant Holder may exercise not exceed 70% of all allocated Warrant. Exercise date has set to be on 15 September 2019
 - Forth Time Warrant Holder may exercise not exceed 100% of all allocated Warrant. Exercise date has set to be on 15 September 2018
 - Fifth Time The Warrant Holder may exercise all the right to purchase the ordinary share, the last exercise date is set to be on 14 June 2020

Note: Warrant that has not been exercised during sthe specify period can be exercise in the next exercise peiord, and accumulate until the end of warrant term

- Period for notification of the intention to exercise the Warrants : The Warrant Holders who wish to exercise the right to purchase ordinary shares of the Company shall submit notification of the intention to exercise the Warrants during the period from 9.00 am to 4.00 pm of five Business Days before each exercise date.

In any case of the last exercise date, the Warrant Holders may submit their notification of intention to exercise during the period of any 15 days before the last exercise date.

Note: In the case that the last exercise date falls on the holiday, exercise date will be move to the last business day of preceding exercise date and the remaining warrant that has not been exercise can accumulate to be used in the next exercise date throughout the term of warmats. The warrant holder cannot exercise their right after the last exercise date.

Conditions of the
Rights Exercise and
adjustment

1. Regardless of the right adjustment, the number of warrants to purchase the newly ordinary shares of the company must be in full unit and the exercise ratio is one unit of warrant to one ordinary share. In addition, the Warrant Holders must exercise and purchase newly ordinary share not less than 100 shares unless that warrant is in fraction or it is the last exercise period. However, if the Warrant Holders are entitled to purchase newly ordinary shares under 100 shares, they must exercise all the right to purchase newly ordinary shares in one time
2. The amount of ordinary share issued when the Warrant Holders exercised their right will calculate by taking the money received from exercising the right divided by exercise price. Where the company will issue the new ordinary share without any fraction and not exceeding the amount of Warrant unit multiply with exercise ratio. If there is an adjustment of exercise price and/or exercise ratio which create a fraction of that calculation, the company will not take that fraction into the calculation and will return the excess money to the Warrant Holder within 14 days from the date of exercise without any interest. Whereas, the Company may agree with the Warrant Holders to claim the remaining amount of money by themselves at the location.

3. If the company receives any evidence of the number of warrant or money received is differ from the amount stated on the notification of intention to exercise form, or the company has identified that the message that the Warrant Holders stated in the notification of intention form is not complete or incorrect. The Warrant Holders must correct the form within 3 business day after each exercise date. However, if the Warrant Holder does not correct the form within the period, the compny will claim that the warrant will not be exercised and the Company will return the money received and warrants back to the Warrant Holders within 14 days after exercise date without any interest payment

In the event that the Warrant Holders do not fully pay the amount to exercise warrant, the company has the right to perform any of the following condition;

- a. The notification of exercising the right is terminated without any exercise or
- b. The amount of newly ordinary share issue must equivalent to the amount of money the Company receives from exercising the right of ESOP-W2 or
- c. The Warrant Holders must pay the additional amount according the right they want to exercise within the notification of intention to exercise period. If the company does not receive the full amount within that exercise period then the Company will assumes that notice of intention to exercise is expired without being exercise

Notes: In the last exercising date the Company will follow criteria b.) and c.)

Under criteria a. and c. The Company will return the cheque with names crossed over together with the warrant that has not been exercised, where the Warrant Holders must pick up at the Company within 14 business days from the day following

each exercise date together with the remaining amount of money (if any) without any interest payment. However, the warrant that has not been exercise will have no right to exercise until the last exercise period.

Under criteria b. In the event that the Company claim that there is a part of warrant that has been exercised, the Warrant Holder can claim the remaining amount of Warrants by themselves at the stated location within 14 business day from the day after each exercise date together with the remaining amount of money without any interest payment. However, the warrant that has not been exercise will have no the right to exercise until the last exercise period.

4. When the Warrant Holders has notified the intention to exercise the right to purchase the ordinary share according to the notification procedure, as in submitting the subscription letter, notification form, and complete all the payment process. Cancellation of the subscription is not allowed.
5. After Warrant Holders, has not complied with the exercise condition within the last exercise date. The warrants shall be expired without being exercised and the warrant will no longer be exercisable.
6. If the Warrant Holder has submitted the subscription form with a number greater than they wish to exercise, the company will resend the new warrant with less exercising right to that Warrant Holders within 14 business days from the date of that exercise. Or the Warrant Holders can reclaim the warrant by themselves and the company will have terminated the old warrant.
7. In the event that the Number of ordinary shares reserved to accommodate the exercise of the Warrants is not enough, the Company will compensate the lost that occurred to the Warrant

Holder that the warrant cannot be exercised However, under the case that the Warrant Holders are Foreigner or the International Juristic Person and unable to exercise because it will reaches or crosses the tender offer requirement threshold, the Company will not compensate to the Warrant Holders although there are not enough ordinary shares

8. The exercise of each warrant will only be completed if the Company has received the full amount of payment. If the company is unable to collect the money under any condition, the Warrant Holders will be responsible and the Company will deem that the Warrant Holder has intention to cancel the right to exercise. However, this warrant is still exercisable in the next exercise date unless it is the last exercising date where the right to purchase the ordinary shares has been terminated.
9. In the case of exercise of the warrant subject to income tax, stamp duty or other taxes (if any) under the Revenue Code or other laws, the Warrant holder shall bear the burden of such taxes, In addition, the warrant holder are consent to the company deducting the withholding tax as required by law

Other conditions : Board of directors and/or the managing director and/or a person authorized by the board of directors to consider and determine, but not limited to, (1) determining and amending the terms, conditions and other details regarding the issuance and offering of ESOP-Warrant to purchase ordinary share of Qualitech Public Company Limited issuing to the executive and employees of the company and subsidiary No.2 only at the level that rules and regulation allow and not to change the significant of such condition such as method and regulation of allotment, date and time for subscription of ESOP-warrant ; (2) entering into negotiation, agreement and execution of the relevant documents and agreements; (3) executing any application for approval, waiver and evidence necessary and related

to the allotment of the ESOP-Warrant to the Executive and Employees of the Company, including contacting and submitting such applications for approval or waiver, document or evidence to government agencies or relevant authorities.

3. Criteria and conditions for the allocation of the ESOP-Warrant (ESOP-W2)

The people who are eligible to receive the allocation of the ESOP-Warrant must maintain its status in Company or subsidiary as of the date that the company has offered and issued the Warrant. Board of executive or a person authorized by the board of executive will set up the condition for Executive and Employees who will receive the Warrants, and the number of Warrants to be allocated to each person will be based on the position and working period. After receive the criteria, the Board of Executive must later reported to the Board of Director for approval.

4. List of all Executive and Employees eligible for the ESOP-Warrant (ESOP-W2) and the amount allocation

#	Name - Lastname	Position	No. of Allocated Warrants (Units)	% of Total Warrants Offered
1	Mr.Sumet Techchainiran	Assistant Managing Director	245,000	5.00
2	Mr.Domdej Sripinproach	Assistant Managing Director	245,000	5.00
3	Mr.Thavorn Kitcharoen	Non-Destructive Testing Department Manager	201,000	4.10
4	Mr.Rakchat Inthaphio	Plant Inspection Service Department Manager	200,000	4.08
5	Miss Kunlanit Sarapab	Administrator Department Manager	200,000	4.08
6	Mrs.Wimol Saephung	Internal Audit Department Manager	200,000	4.08
7	Mrs.Suwanna Laohacharoensombat	Sale & Marketing Department Manager	200,000	4.08
Total			1,491,000	30.43

* Remark: The total amount of warrant are 4,900,000 units, and non of the executives receive the allocation more than 5% of the total warrant.

5. Impact to Shareholder from issuance of Warrants to Purchase the ordinary shares issued to the Executive and Employees of the Company

5.1 Price Dilution

In case that all the ESOP-W2 are totally exercise. The impact on market price can be calculated as follow;

$$= \frac{(\text{Market Price before the Offering} - \text{Market Price after the offering}) \times 100}{\text{Market Price before the Offering}}$$

Which,

The market price is equivalent to Baht 3.94 per share. Calculated from the weighted average price of the Company's ordinary share price traded in the Stock Exchange of Thailand during the period of 14 business days prior to the date of Board of Director's Meeting on 14 January 2017

Market Price after the offering

$$= \frac{(\text{Market Price} \times \text{No. of paid-up Shares}) + (\text{Exercise Price} \times \text{No. of share reserved for this offering})}{\text{No. of paid-up shares} + \text{No. of shares reserved for this offering}}$$

$$= \frac{(\text{Market Price} \times \text{No. of paid-up Shares}) + (\text{Exercise Price} \times \text{No. of share reserved for this offering})}{\text{No. of paid-up shares} + \text{No. of shares reserved for this offering}}$$

$$= \frac{[(9.13 \times 98,568,485) + (7.30 \times 4,900,000)]}{98,568,485 + 4,900,000}$$

$$= 0.95$$

Therefore, the price dilution is

$$= 0.95 \%$$

5.2 Control Dilution

In the event all Warrants are exercised by the Executive and Employees of the Company, the control dilution effect on the ownership and the voting rights of the existing shareholders after the exercise will be as follows:

$$\begin{aligned} &= \frac{\text{Number of Shares Reserved for this Offering}}{\text{No. of paid-up shares + No. of shares reserved for this offering}} \\ &= \frac{4,900,000}{98,568,485 + 4,900,000} \\ &= 4.74\% \end{aligned}$$

5.3 Earning per Share Dilution

$$\begin{aligned} \text{Earning Dilution} &= \frac{\text{EPS before this offering} - \text{EPS after this offering} \times 100}{\text{EPS Before this offering}} \\ &= \frac{(0.71 - 0.67) \times 100}{0.71} \\ &= 4.74\% \end{aligned}$$

Earning	Equivalent to 69.53 million Baht, calculate from the profit of the last 4 quarter counting from quarter 4 of 2015 to quarter 3 of 2016
EPS before this offering	Equivalent to 0.71 Baht per share, earning divided by number of paid-up share which is 98,568,485 shares
EPS before this offering	Equivalent to 0.67 Baht per share, earning divided by number of paid-up share which is 103,468,485 shares

6. Exercise Condition

- 6.1 The Warrant Holders must retain their status as Management or Employees of the Company on the exercise date, except the case specified in No. 6.2 – 6.3
- 6.2 In the event that any Warrant Holder is no longer an Executive and Employee due to death, disappearance, severe illness, or incompetence causing him/her to be incapable of managing his/her own affairs, or any other causes as the Management Committee deems appropriate, that person or a person specified as an heir or guardian or curator shall be entitled to exercise the rights under the Warrants during the term of the Warrants.

6.3 In the event that the Warrant Holders are (a) retirement according to the company's rules and regulation or (b) has been transferred under the Company or the Board of director approval where that person still be the management and employees of the company on the exercise date. The warrant holders shall be entitled to exercise the right to purchase the shares under the Warrants up until the expiry date of the allocated.

In the event that any Warrant Holder is no longer a management and Employees prior the exercise date due to other reason rather stated in No 6.2 – 6.3 or other reason (if specified in the scheme). The company can allocated the returned ESOP to the management and employees. However, this will be under the consideration of Board of executive whom shall consider under the Tor Jor 32/2551: The issuance of new equity for director, management and employee dated at 15 December, 2008

6.4 In the event that the management or Employees do not exercise all of their right under the Warrants; and the term of Warrants is expired, it shall be deemed that the management and Employees of the Company has waived their remaining rights under the Warrants and such Management and Employees shall not have any claim against the Company.

7. Commitment between the Company and Management, and Employees of the Company in regards to allocation of ESOP-Warrant

- According to the Scheme -

8. Right of shareholders to oppose the offering of ESOP Warrants to directors and employees in accordance with the Securities and Exchange Commission Tor Jor 32/2551 dated 15 December 2008.

Under the Notification of the Capital Market Supervisory Board No. Tor Jor 32/2551 Re: The Offer for Sale of Newly Issued Securities to the Director or Employee, Dated 15 December 2008. The ESOP-Warrant scheme must be approved by the shareholders' meeting by not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, and no shareholder(s) having an aggregate shareholding of more than 10% of the votes of the shareholders attending the meeting shall vote in opposition to the issuance and offering of the Warrants to the Management and Employees of the Company. The management personals who eligible for the ESOP-Warrant shall not vote in this resolution.

9. List of independent directors whom the shareholders may appoint as their proxies to attend the shareholders' meeting

No.	Name	Position	Allocation amount from ESOP
1.	Mr.Somyos Chiamchirungkorn	Chairman of the audit committee / Independent director	-
2.	Mr.Tinakorn Seedasomboon	Audit committee / Independent director	-
3.	Mr.Somchai Jongsirilerd	Audit committee / Independent director	