



**INTERHIDES PUBLIC CO.,LTD.**

**บริษัท อินเทอร์ไฮด์ จำกัด (มหาชน)**



678 SOI T.J.C. SUKHUMVIT RD., BANGPOOMAI, MUANG, SAMUTPRAKARN, 10280 THAILAND  
Tel : 0-2323-2754-5 , 0-2709-5512-4 , 0-2709-6288-9 , 0-2710-6244-5  
Fax : 0-2323-2749 , 0-2709-5516 , 0-2710-6246 [www.interhides.com](http://www.interhides.com)

15 August 2016

**Subject:** Stock Interim Payment and Issuance of the Warrants to Purchase the Newly Issued Ordinary Shares of the Company and Calling for the Extraordinary General meeting of Shareholders No. 1/2016

**To:** The President of the Stock Exchange of Thailand

The Board of Directors' Meeting No. 5/2016 of Interhides Public Company Limited (the "Company") held on August 11, 2016 respectively has passed the following resolutions:

1. Propose to the Extraordinary shareholders meeting to approve for interim dividend payment from the net profit of the Company, by pay stock dividend at the ratio of 6 (six) existing shares to 1 (one) Stock dividend with the par value of Baht 1 per share or representing dividend payment at Baht 0.1667 per share. In case that any shareholders hold the indivisible share remaining less than 1 share after such allocation, the dividend shall be paid by cash instead of stock dividend at the rate of Baht 0.1667 per share.

The Interim dividend payment was paid from dividend received from Interseat Cover Company Limited, which is not subjected to corporate income tax wherein individual shareholders shall not be entitled to a Dividend Tax Credit under Section 47 bis of the Revenue Code.

2. Propose to the Extraordinary shareholders' meeting to approve the issuance and allocation of the warrants to purchase the newly issued ordinary share of the Company as the following details:

The issuance and allocation of the warrants to purchase the newly issued ordinary shares of Interhides Public Company Limited in the number of up to 104,999,695 units, to be allocated to the existing shareholders of the Company pro rata to their respective shareholdings (Right Offering), at no cost, at the allocation ratio of every 4 existing shares for 1 unit of warrants. In calculating the entitlement to receive the warrants of each shareholder, any fractions resulting from the calculation based on the allocation ratio set forth shall be rounded down. The term of warrants will be 3 years from the issuance date and the exercise price will be at Baht 3.50 per share, with exercise date every six month. In this regards, the right to receive such cause is uncertain as it has not been approved by Extraordinary General meeting of Shareholders No. 1/2016.

3. Propose to the Extraordinary shareholders' meeting to approve the reduction of registered capital of the Company from Baht 419,999,076 to Baht 419,999,782, by cancelling authorized but unissued share.



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4. Propose to the Extraordinary shareholders' meeting to approve the increase of registered capital of the Company from Baht 419,998,782 to Baht 594,998,274, by issuing 174,999,492 shares, to reserve for stock dividend payment and warrants.

5. Approved the convening of the Extraordinary General Meeting of Shareholders No. 1/2016 on September 19, 2016 at 2 p.m at Boardroom 2, Queen Sirikit National Convention Center (QSNCC), 60 New Ratchadapisek Road, Klongtoey, Bangkok 10110 with the following agenda:

Agenda 1 To consider and adopt the Minutes of the Annual General Meeting of Shareholders No. 11 held on April 25, 2016.

Agenda 2 To consider and approve profit allocation of the operating and dividend payment to shareholders

Agenda 3 To consider and approve the issuance and allocation of the warrants to purchase the newly issued ordinary shares of the Company to the existing shareholders of the Company through the Right Offering

Agenda 4 To consider and approve the reduction in registered capital of the Company in the number of 294 shares at the par value of Baht 1.00 per share, from the existing registered capital of Baht 419,999,076 to Baht 419,999,782, by cancelling the Company's unissued shares. And approved the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the reduction of the Company's registered capital.

Agenda 5 To consider and approve the increase of registered capital of the Company in the number of 174,999,492 shares at the par value of Baht 1.00 per share, from the existing registered capital of Baht 419,998,782 to Baht 594,998,274 to allocation of the dividend payment and to accommodate the exercise of the warrants to purchase the newly issued ordinary share of the Company. And approved the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the increase of the Company's registered capital.

Agenda 6 To consider and approve the allocation of the newly issued ordinary shares of the Company to accommodate the exercise of the warrants to purchase newly issued ordinary shares of the Company.

6. Approved that 29 August, 2016 will be fixed as the record date for determining the shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2016 and 30 August 2016 will be fixed as the share register book closing for compiling the list of shareholders in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (1992)



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7. The name of shareholders who have right to receive dividend and warrants shall be record on 27 September 2016. The book closing date in which the list of shareholder shall be compiled in accordance with Section 225 of the Securities and Exchange Act shall be on 28 September 2016. The stock dividend and date for the Warrants to Purchase the newly issued ordinary shares of Interhides Public Company No.1 (IHL-W1) shall be on 12 October, 2016.

Yours faithfully,

(Miss Chutima Busayapoka)  
Deputy Managing Director

**Key Features of the Warrants to Purchase the Newly Issued Ordinary Share of  
Interhides Public Company Limited No. 1 (IHL-W1)**

Issuers	Interhides Public Company Limited (“the Company”)
Name	Warrants to Purchase the newly issued ordinary shares of Interhides Public Company No.1 (IHL-W1)
Type	Specify holder’s name, and transferable
Number of Warrants issued	Up to 104,999,695 units
Price per unit	Baht 0 (at no cost)
Allocation methods	IHL-W1 Warrants will be issued and allocated to the existing shareholders of the Company pro rata to their respective shareholdings (Rights Offering) at the allocation ration of every 4 existing ordinary shares for 1 unit of IHL-W1 Warrants. The Company will issue and allocate IHL-W1 Warrants to the shareholders whose names appear as the shareholders of the Company on the record date for determining the shareholders entitled to received IHL-W1 Warrants on September 27, 2016 and the share register book closing date for compiling the list of shareholders in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (1992) (as amended) on September 28, 2106.
Exercise ratio	1 unit of IHL-W1 Warrants for 1 new ordinary share, unless the exercise ratio is adjusted otherwise pursuant to the provisions concerning the rights adjustment 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 Interhides Public Company Limited No. 1 (IHL-W1) (the “Terms and Conditions of Warrants”)
Exercise price	Baht 3.50 per share, unless the exercise price is adjusted otherwise pursuant to the provisions concerning the rights adjustment as stipulated in the Term and Conditions of Warrants.
Issuance date	The Board of Directors of the Company or the person assigned by the Board of Directors shall be authorized to determine the issuance and offer date of Warrants IHL-W1. The Company expected that the issuance and offer date of Warrants IHL-W1 will be on 12 October 2016
Term of the warrants	3 years from the issuance date. In this respect, the Company shall not extend the term IHL-W1 Warrants after the issuance.
Exercise period	The warrant holders will be entitled to exercise their right under IHL-W1 Warrants to purchase the newly issued ordinary shares of the Company on the last business day of every March and September after the issuance date until the expiration of the term IHL-W1 Warrants (the “Exercise Date”). The first Exercise Date is expected

	to be on the last business day of March 2017 and the last Exercise Date will be on the date of the 3 <sup>rd</sup> anniversary from the issuance date. In the event that the last Exercise Date is not a business day, the last Exercise Date shall be postponed to the next business day.
Period for the notification of the intention to exercise the warrants	The warrant holders who wish to exercise their rights to purchase the newly issued ordinary shares of the Company shall deliver a notification of intention to exercise IHL-W1 Warrants (the “Exercise Notice”) during 9.00 a.m. and 4.00 p.m. within the period of 5 business days prior to each Exercise Date, except for the last Exercise Date in which the Exercise Notice shall be delivered during 9.00 a.m. and 4.00 p.m. within the period of 15 business days prior to the last Exercise Date.
Irrevocability of the notification of intention to exercise the warrants	The intention to exercise IHL-W1 Warrants shall be irrevocable upon the Exercise Notice is served.
Number of ordinary shares reserved for exercising warrants	Not exceeding 104,999,695 shares with a par value of Baht 1.00 per share which is in equivalent to 25%* of the total current issued and sold shares of the Company of 419,998,782 shares (after allotment of new shares to the existing shareholders by way of rights issue).  *Method for calculation of ratio of reserved shares  <u>No. of shares reserved for the exercise right of Warrants IHL-W1</u> Number of the Company’s total shares sold  = 25%
Registrar of Warrants	Thailand Securities Depository Company Limited or any person duly appointed to act as the registrar of IHL-W1 Warrants
Secondary market of the warrants	The Company will list IHL-W1 Warrants on the Stock Exchange of Thailand
Secondary market of the shares issued upon the exercise of the warrants	The Stock Exchange of Thailand
Dilution effects	<b>1. Control Dilution</b> In case that the Company’s existing shareholders exercise their right pursuant to Warrants IHL-W1 to purchase all new ordinary shares, the Company’s existing shareholder will not be affected from such dilution in control. However, in case that all 104,999,695 units of Warrants IHL-W1 would be exercised by other persons who are not the Company’s existing shareholders, the control will be diluted by 18%.

	<p>Formula for calculation of Control Dilution:</p> <p style="text-align: center;"><u>No.of shares reserved to accommodate the exercise</u></p> <p style="text-align: center;">NO of the issued shares of the company + dividend share + No of the shares reserved to accommodate the exercise of IHL-W1</p> <p>18% = <math display="block">\frac{104,999,695}{419,998,782 + 69,999,797 + 104,999,695}</math></p> <p><b>2. Price Dilution</b></p> <p>The exercising price of Warrants IHL-W1 is Baht <b>3.50</b> per share, which is lower than the weighted average price of the market price of 7 working days prior to the Board of Directors Meeting. Thus, the Company's existing shareholders will not be affected from such price dilution. However, in case that all 104,999,695 units of Warrants IHL-W1 would be exercised by other persons who are not the Company's existing shareholders, the price will be diluted by 21.04%.</p>
<p>Events that require the issuance of new shares to accommodate the rights adjustment</p>	<p>When the Company adjusts the exercise price and/or the exercise ratio pursuant to the provisions concerning the rights adjustment as stipulated in the Terms &amp; Conditions, which resemble the events stipulated in Clause 11(4)(b) of the Notification of the Capital Market Supervisory Board No. TorJor. 34/2551 Re: Application for and Approval of Offer for Sale of Warrants to Purchase Newly Issued Shares and Shares Issuable upon the Exercise of Warrants dated December 15, 2008 (as amended).</p>
<p>Rights adjustment of the warrants</p>	<p>The Company will be required to adjust the exercise price and/or the exercise ratio upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> <li>(a) in case of a change in par value of the Company's ordinary share as a result of a combination or split of shares;</li> <li>(b) in case the Company issues and offers newly issued ordinary shares to its existing shareholders and/or to the public and/or to specific investors (private placement) at the net price per share of the newly issued ordinary shares of the Company which is below 90 percent of the market price per share of the Company's ordinary shares;</li> <li>(c) in case the Company issues any new securities to its existing shareholders and/or to the public and/or to specific investors (private placement) and such securities confer the rights to convert/exchange into ordinary shares or the rights to purchase of the ordinary shares (such as convertible debentures or warrants to purchase the ordinary shares) at the net price per share of the newly issued ordinary shares reserved for the exercise of rights below 90 percent of the market price per share of the Company's ordinary shares;</li> </ul>

	<p>(d) in case the Company makes payment of dividends, whether in whole or in part, in the form of the Company's ordinary shares;</p> <p>(e) in the event that the Company distributes dividends in cash in excess of 70 percent of the Company's net profit for any fiscal year;</p> <p>(f) in case there are any similar events to those items (a) – (e) which result in inferior benefit obtainable by the holders of warrant.</p> <p>In this respect, the definitions, rights adjustment formula, as well as other details shall be in accordance with the Terms &amp; Conditions.</p>
<p>Purposes of issuing the warrants and benefits that the Company would gain from the allocation of newly issued shares</p>	<p>For readiness and strengthening the financial position of the Company, so that the Company would enjoy flexibility of finance to operate any project in the future including investing in product development and increase liquidity, as well as maintaining working capital for the Company.</p>
<p>Expected benefits to shareholders from the capital increase</p>	<p>In the event the warrant holders exercise their rights under IHL-W1 Warrants to purchase the newly issued ordinary shares, the shareholders would gain the benefits from the Company as the Company will be able to utilize such proceeds by investing in its relating future projects as deemed appropriate and in line with the objectives of the issuance and allocation of IHL-W1 Warrants.</p>
<p>Other conditions</p>	<p>The Board of Directors of the Company or the person(s) designated by the Board of Directors is authorized to conduct the followings:</p> <p>(1) to determine the conditions and other details which are necessary in connection with the issuance and allocation of IHL-W1 Warrants e.g. issuance date, details and procedures of allocation of IHL-W1 Warrants, exercise period and expiry date of IHL-W1 Warrants;</p> <p>(2) to enter into negotiations, agreement and execution of the relevant applications for permission and the other agreements and documents that are necessary for the issuance and allocation of IHL-W1 Warrants, including the arrangement and submission of applications for permission or waiver and the relevant documents to the competent authorities or agencies in connection with the issuance and allocation of IHL-W1 Warrants and the listing of IHL-W1 Warrants on the Stock Exchange of Thailand; and</p> <p>(3) to take any other actions which are required for this issuance and allocation of IHL-W1 Warrants.</p>

(F 53-4)

## Capital increase report form

### Interhides Public Company Limited Date 15 August 2016

We, Interhides Public Company Limited (the "Company"), hereby report on the resolution of board of directors meeting no. 5/2016, held on 11 August 2016 from 2 p.m. to 4 p.m., at Meeting Room 4, Interhides Public Company Limited at 678 Soi T.J.C Sukhumvit Road Bangpo relating to a capital increase/share allotment as follows:

#### 1. Capital increase:

The Meeting of the Board of Directors passed the resolutions approving:

- 1) The reduction in registered capital of the Company from Baht 419,999,076 to Baht 419,998,782 by cancelling 294 shares with the par value of Baht 1.00 per share; and
- 2) The increase of the registered capital of the Company from Baht 419,998,782 to Baht 594,998,274 by means of the issuance of 174,999,492 newly issued ordinary shares with a par value of Baht 1.00 per share totaling Baht 174,999,492 to accommodate the exercises of

Detailed as follows:

Type of capital increase	Type of share	Number of shares (shares)	Par value (THB/share)	Total (THB million)
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds	Ordinary	174,999,492	1	174,999,492
	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	69,999,797	6 existing shares : 1 stock dividend			



Allotted to	Number of shares (shares)	Ratio (old : new)	Sale price (THB/share)	Subscription and payment period	Note
General public					
Other persons (specify) .....					
To accommodate the exercise of IHL-W1 Warrants	104,999,695	<u>Allocation Ratio:</u> 4 existing shares for 1 unit of IHL-W1 Warrants  <u>Exercise Ratio:</u> 1 unit of IHL-W1 Warrants for 1 ordinary share	<u>Exercise Price:</u> 3.50 Baht per share	Refer to IHL-01 Term & Conditions	Please see remark 1

Remark:

1. The Board of Directors' Meeting No. 5/2016, on August 11, 2016, passed a resolution to propose to the Extraordinary General Meeting of Shareholders No.1/2016, which will be held on September 19, 2016, to consider and approve the Company to issue and allocate IHL-W1 Warrants in the number of up to 104,999,695 units to the existing shareholders of the Company pro rata to their respective shareholdings (Rights Offering), at no cost, at the allocation ratio of every 4 existing shares for 1 unit of IHL-W1 Warrants. In calculating the entitlement to receive IHL-W1 Warrants of each shareholder, any fractions resulting from the calculation based on the allocation ratio set forth shall be rounded down. In this regard, September 27, 2016 will be fixed as the record date for determining the shareholders entitled to receive IHL-W1 Warrants and September 28 2016 will be fixed as the share register book closing date for compiling the list of shareholders in accordance with Section 225 of the Securities And Exchange Act B.E. 2535 (1992) (as amended).

The term of IHL-W1 Warrants will be 3 years from the issuance date. The warrant holders is expected to be entitled to exercise IHL-W1 Warrants for the first time on the last business day of March 2017.

2. The Company's plan in the case where there is a fraction of shares remaining  
 In the event that there is any change of the exercise ratio upon the occurrence of an event pursuant to the conditions of the rights adjustment as stipulated in IHL-W1 Terms & Conditions, as the case may be, and such change of the exercise ratio results in any fraction of shares to be allocated under IHL-W1 Warrants, as the case may be, the fraction of shares shall be rounded down.

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

The extraordinary meeting of shareholders no.1/2016 is scheduled to be held on September 19, 2016 at 2 p.m. at Boardroom 2, Queen Sirikit National Convention Center (QSNCC), 60 New Ratchadapisek Road, Klongtoey, Bangkok 10110

The share register will be closed to share transfers in order to determine the right to attend this meeting from \_\_\_\_\_ until the meeting has been duly convened.

Or

The share register will be recorded for share transfer in order to determine the right to attend this meeting on 29 August 2016. Also, 30 August 2016 will be the book-closing date on which the shareholder list as specified in section 225 of the Security Act shall be complied.

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

The Company will apply for registration of the capital increasing of THB 174,999,492 at par value THB 1 each and the change of the paid-up capital with the Department of Business Development, the Ministry of Commerce.

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

1. Increasing capital to accommodate the stock dividend payment.
2. Increasing capital to accommodate the exercise of right of IHL-W1. The paid-up cash received from the exercise of Warrants will be taken as working capital.

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

To enhance the financial strength of the Company and to provide increased financial flexibility in proceeding with its future projects, as well as to reserve funds for use as working capital.

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

**7.1 Dividend Policy**

The Company has dividend policy not less than 40% of net profit after legal reserve and all reserves according to the Company's AOA and by law and must have no impact for the Company's operation.

**7.2 Subscribers of IHL-W1**

A holder of IHL-W1 Warrants will be entitled to receive dividends from the Company's business operations starting from exercise right to purchase the new issue of ordinary share according to IHL-W1 condition and the Company has registered paid-up share completely. The dividend payment will be occurred when the Company has no retained loss.

7.3 Others

-- None--

**8. Other details necessary for shareholders to approve the capital increase/share allotment:**

-- None--

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

<b>No.</b>	<b>Procedures of the capital increase</b>	<b>Date/Month/Year</b>
1	Board of Director's Meeting No. 5/2016	11 August 2016
2	Record Date for determining the shareholders entitled to attend the EGM No. 1/2016	29 August 2016
3	Share registration book closing date	30 August 2016
4	Extraordinary General Meeting of Shareholders No. 1/2016	19 September 2016
5	Record date for dividend payment and determining the shareholders entitled to receive IHL-W1 Warrants	27 September 2016
6	Share registration book closing date	28 September 2016
7	Registration of capital increase with the Department of Business Development, Ministry of Commerce	Within 14 days after the date of EGM No. 1/2016

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

Yours Faithfully,

(Miss Chutima Busayapoka)  
Deputy Managing Director