

Ref:PIMO6002/004

February 22, 2017

Subject: Notification of the Resolution of the Board of Directors' Meeting No. 2/2017,
Dividend payment and Schedule for Annual General Meet of Shareholders For
2017(Revised)

Attachment: 1. Informing on acquisition of new factory project and acquisition of the
ordinary shares of VSM Thailand Co., Ltd.
2. Summary of Details of the Warrant to purchase ordinary shares
of PIONEER MOTOR PUBLIC COMPANY LIMITED, Series 1 (PIMO-W1)
3. Capital increase report form (F53-4)

Attention: The Director and Manager
The Stock Exchange of Thailand

The Board of Director Meeting of Pioneer Motor Public Company Limited ("PIMO")
("The Company") resolved in the meeting No. 2/2017 held on February 21, 2017 at Office
662/19-20, Rama 3 Road, Bangpongpang, Nawa, Bangkok. The significant resolutions are
as follows:

1. Approved financial statement for the year ended December 31, 2016 and further
proposed such statement to the shareholders' meeting for approval.
2. Approved the business expansion on construction project for new motor
manufacturing in the existing facilities worth Baht 37,383,177.57 (excluded value
added tax) or Baht 40,000,000.00 (included value added tax) as attachment 1
3. Approved the dividend payment for the year 2016 at Baht 0.032 per share or a
total of about Baht 16.64 million and allocate one part of the net profit of the year as

reserved fund of the Company which should not be less than 5% of the net profit of the year, until this reserved fund is more than 10% of authorized capital of the Company. For the year 2016 allocated a legal reserve total of Baht1.70 million, totaling the legal reserve as of December 31, 2016 Baht 13.00 million.

The close of shareholders register book for the right to receive the dividend shall be recorded on May 8, 2017. Also, May 9, 2017 shall be the book closing date on which the shareholders are listed as specified in section 225 of the Securities and exchange Act and date of the dividend disbursement will be on May 19, 2017 and the Record Date for the names of shareholders entitled to subscribe for warrants is set to be May 8, 2017 and the names of entitled shareholders will be gathered PIONEER MOTOR PUBLIC COMPANY LIMITED Warrant Covenants pursuant to Section 225 of the Securities and Exchange Act by means of closing of the share register book on May 9, 2017. The Company will propose this matter at the Annual General Meeting of Shareholders for 2017 for approval. However, the right to receive the dividend still uncertain due to be approved by the shareholders meeting.

4. The directors' remuneration policy and budget for the year 2017 at an amount not exceeding Baht 2 million. The company will propose this matter at Annual General Meeting of Shareholders for the 2017 for approval with the endorsement of the Remuneration committee for the year 2017 as follows:

Remuneration:

Position	Remuneration per meeting (Baht)
Chairman of the Board	15,000
Chairman of Audit Committee	12,000
Chairman of the Nomination and Compensation Committee	12,000
Chairman of Risk Management Committee	12,000

Director	10,000
Audit	10,000
The Nomination and Compensation Committee	10,000

5. Approved the appointment of directors to replace those who will retire by rotation in 2017. The retiring directors due to end of their terms are as follows:

1. Mr. SATIAN POOPRASERT
2. COL. SAKDA TECHAKRIENGKRAI
3. MRS. POJAMAN WONGSUWAN

Approved the reappointment of director who retired by rotation as follows:

1. Mr. SATIAN POOPRASERT
2. COL. SAKDA TECHAKRIENGKRAI
3. MRS. POJAMAN WONGSUWAN

6. To consider and approve the appointment of the external auditors name MR. PRADIT RODLOYTUK auditor NO: 218 or MS. NONGRAM LAOHAAREEDILOK auditor NO: 4334AST Master Co., Ltd. to be Company's external auditors for 2017. In addition, the Board approved the audit and the review of quarterly financial statements. The total remuneration of the auditors for the year 2017 of 1,110,000 baht.

7. Approve to propose that the Annual General Meeting of Shareholders consider and approve the issuance and offering of Warrants to Purchase newly issued shares of the Company allocated to the existing shareholders proportionally (Right Offering/RO) No. 1 ("PIMO-W1") in the amount of 104,000,000 units to allocate to the existing shareholders proportionally scheme No. 1 at ratio of 5 ordinary shares

per 1 warrants violated at no cost as per details in Enclosure 2 (Key Features of Warrants to issuing and offering of newly issued share for existing shareholders of the Company (under RO) scheme No. 1).

In addition, It is proposed to authorize the board of directors and/or a person authorized by the Board of Directors to consider and determine other details with regard to the allocation of the PIMO-W1 and newly issued ordinary shares including, but not limited to, (1) determine, amend and add any details and condition which are required and related to the issuance and offering of the PIMO-W1 in so far as legally permissible or the same is not material e.g. date, time and method of the issuance and offering of the PIMO-W1, the exercise method of the PIMO-W1; (2) entering into negotiation, agreement and execution of the relevant documents and agreements as well as taking any action in connection with the allocation of the PIMO-W1 and Warrants for issuing and offering of newly issued share and (3) execution of application for permission and waiver, any necessary evidence in connection with the allocation of such warrants for issuing and offering of newly issued share, including the arrangement and submission of application for such permission and waiver, documents and evidence to relevant authorities or agencies, listing such warrants for issuing and offering of newly issued share on the SET and being empowered to take any other action which is necessary for the allocation of such warrants for issuing and offering of newly issued share.

8. Approved to propose that the Annual General Meeting of Shareholders consider and approve the increase of the Company's registered capital for Baht 26,000,000 from the existing registered capital of Baht 130,000,000.00 to Baht 156,000,000 by issuing 104,000,000 newly issued ordinary shares, at a par value of Baht 0.25 each

and the amendment of clause 4. of the Memorandum of Association of the Company to be complied with the capital increasedetails in Enclosure 3 (F53-4).

9. Approved to propose that the Shareholders' meeting consider and approve the increase of the Company's registered capital for Baht 26,000,000 by issuing 104,000,000 newly issued ordinary shares, at a par value of Baht 0.25 each to offer the right offering to the existed shareholders proportionally(Right Offering PIMO-W1)
10. Approved the Annual General Meeting of shareholders for the year 2017 be called, and held on Tuesday, April 25, 2017 at 2.00 PM. at Rachavadee Room number 2-4, 3th Floor, GOLDEN TULIP SOVEREIGN HOTEL BANGKOK number 92 SOI SAENGCHAM - RAMA 9 ROAD - HUAY KWANG BANGKOK 10320

The meeting agenda is as follows;

- | | |
|----------|---|
| Agenda 1 | To consider and adopt the Minutes of the Annual General Meeting of Shareholders for the Year 2016 |
| Agenda 2 | To acknowledge the Board of Directors' report on the Company's operating result for 2016 |
| Agenda 3 | To consider and approve the Statement of Financial position for the year ended December 31, 2016 |
| Agenda 4 | To consider and approve the allocation of the net profit as legal reserve fund and dividends payment of the year 2016 |
| Agenda 5 | To consider and approve the appointment of directors to replace those who will retire by rotation in 2017 |

- Agenda 6 To consider and approve the directors' remuneration for the fiscal year of 2017
- Agenda 7 To consider and approve the appointment of the Company's external auditors and fix their remuneration for 2017
- Agenda 8 To consider and approve the Right offering and the issuance and the issuance and offering of common stock of 104,000,000 to the existing shareholders proportionally(Right Offering PIMO-W1)
- Agenda 9 To consider and approve of the capital increase of Baht 26,000,000 (from the existing registered capital of Baht 130,000,000.00 to Baht 156,000,000 by issuing 104,000,000 ordinary shares at par value of Baht 0.25 which are reserved for rights to purchase the common stock that are issued.
- Agenda 10 To consider and approve the allocation of newly issued shares of the company
- Agenda 11 To consider and approve the amendment of Clause 4.of the Memorandum of Association of the Company to be complied with the increase in registered capital of the Company.
- Agenda 12 Others Business (if any)

Also the board of directors determine the list of shareholders who have the right to be in the meeting as vote for March 8, 2017and the close shareholders register book for the rights to attend the meeting shall be recorded on March 9, 2017shall be the book closing date on which the shareholders are listed as specified in section 225 of the Securities and Exchange Act.

The close of share-holders register book for the right to receive the dividend shall be recorded on May 8, 2017. Also, May 9, 2017 shall be the book closing date on which the shareholders are listed as specified in section 225 of the Securities and exchange Act and date of the dividend disbursement will be on May 19, 2017 and the Record Date for the names of shareholders entitled to subscribe for warrants is set to be May 8, 2017 and the names of entitled shareholders will be gathered PIONEER MOTOR PUBLIC COMPANY LIMITED Warrant Covenants pursuant to Section 225 of the Securities and Exchange Act by means of closing of the share register book on May 9, 2017.

Please be informed accordingly.

Yours faithfully,

(MS. SIRIRAT ITTHIROJANAKUL)
ASSISTANT MANAGING DIRECTOR

22February 2017

Subject: Informing on acquisition of new factory project and acquisition of the ordinary shares of VSM ThailandCo., Ltd.

Attention: The President
The Stock Exchange of Thailand

The Board of Directors' Meeting No. 2/2017 of Pioneer Motor Public Company Limited (the "Company" or "PIMO") was held on 21February 2017 at the office No. 662/19-20, Rama 3 Road, Bangpongpan Sub-district, Yannawa District, Bangkok.

The important resolutions of the meeting are as follows:

The Board of Directors has approved the Company investment in new factory project in order to increase its production capacity for supporting higher demand of manufacture in the future, which is in the same land as the current head office where located at 78 Moo 3 Dontoom-Nakornchaisri Rd. DonfaekNakornchaisriNakornpathom 73120 Thailand. The project cost is equal to Baht 40,000,000.00 (included value added tax), the construction will be responsible by Chaiwat Construction Co., Ltd. which is not the Company's related party.

Moreover, The Board of Directors' Meeting No. 1/2017 of Pioneer Motor Public Company Limited (the "Company" or "PIMO") was held on 23rd January 2017 at the office No. 662/19-20, Rama 3 Road, Bangpongpan Sub-district, Yannawa District, Bangkok has approved the Company's investment in the ordinary shares of VSM ThailandCo., Ltd. ("VSM Thailand") from the existing shareholders, i.e. Verde Smart Motors, Inc. ("VSM Inc."), Mr. Shannon Bard, Mr. Brent Alexander Roland and Mr. Mark Vange, totaling 1,000 shares at the par value of Baht 100 each, representing 100% of the total shares of VSM Thailand. The purchase price of the shares is 0.10 USD per share (equivalent to Baht 3.60 per the exchange rate of Baht 36: 1 USD) and the total purchase price is 100 USD (equivalent to Baht 3,600 per the exchange rate of Baht 36:1 USD). At the present, VSM Thailand has the outstanding debt to VSM in the amount of 650,000 USD (equivalent to Baht 23,400,000 per the exchange rate of Baht 36: 1

USD). After this transaction and the Company becomes the major shareholder of VSM Thailand, the Company will bear this outstanding debt of VSM Thailand and such debt will be paid in 3 installments to VSM and the last installment will be paid at the end of the second year after the execution date of the shares purchase agreement. Hence, the total investment of VSM Thailand's common stocks is USD 650,100 (equivalent to Baht 23,403,600 per the exchange rate of Baht 36: 1 USD). Apart from the outstanding debt of VSM Thailand, the Company has no further obligation under this Transaction. With respect to the value of VSM Thailand's assets, the independent appraiser, i.e. Wealth Appraisal Co., Ltd., has valued the value of VSM Thailand's assets on November 23, 2016. Based on the appraisal, the market value of VSM Thailand's assets is Baht 22,593,000.00. Therefore, the price for the investment in VSM Thailand was determined at 650,100 USD (by the acquisition of shares with liability of the outstanding debts), which is in line with the market value appraised by the appraiser. The company expects to buy the machinery and employ more employees in order to operate the said motor production business valued at 16,700,000.00 Baht. The total value of investing in VSM Thailand, buying new machinery and employing new employees is approximately 40,103,600.00 Baht. Hence, an Investment in VSM Thailand's common stock is considered as an acquisition of assets in previous 6 months.

Details of the project	Valued (Baht)
1. Shares acquisition from existed shareholder	3,600
2. The outstanding debt of VSM Thailand which is undertaken by PIMO	23,400,000
3. Machinery	15,000,000
4. Oversea Staff	1,700,000
Total value of the project	40,103,600

The Company investment in new factory project in order to increase its production capacity for supporting higher demand of manufacture in the future which the project cost is equal to Baht 40,000,000.00 (included value added tax), of which 12,000,000.00 Baht is used for motor manufacturing of VSM Thailand.

As a result, total investment in 2 transactions above is around Baht 80,103,600.00 which the transaction size is calculated according to acquisition of assets with the value equivalent higher than 15% but lower than 50%, in accordance with the notification of the Capital Market Subsidiary Board No. Tor. Jor. 20/2551 Re: Rules on entering into material transaction deemed as acquisition or disposal of assets, and the notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of information and other act of Listed Companies concerning the acquisition and disposition of assets B.E. 2541 (2004). Consequently, the Company is required to disclose information on the entering into the transaction of the Stock Exchange of Thailand, and deliver circular to shareholder within 21 days from the date on which the information is disclosed to the Stock Exchange of Thailand. The details on the assets acquisition of the Company are in Enclosure.

Notification of asset acquisition

1. **Date of the transaction:** 21 February 2017

2. **The Parties concerned**

2.1 An acquisition of new factory

Purchaser: Pioneer Motor Public Company Limited

Seller: Chaiwat Construction Company Limited

Relationship: None-Related Party

2.2 An acquisition of VSM Thailand's assets in previous 6 months.

Purchaser: Pioneer Motor Public Company Limited

Seller: Verde Smart Motor Company Limited

Mr. Shannon Bard

Mr. Brent Alexander Roland

Mr. Mark Vange

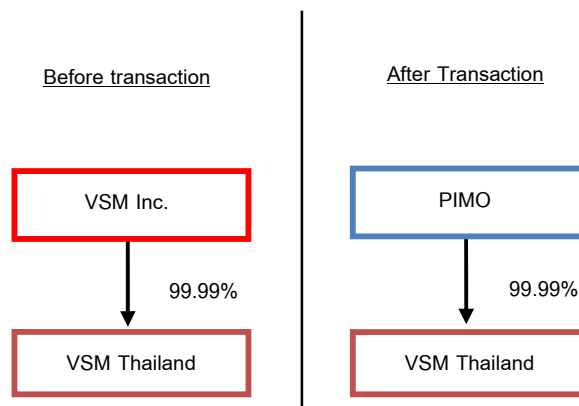
Relationship: None-Related Party

3. **Detailsof the acquisitions of assets**

The Company invests in new factory project in order to increase its capacity for supporting higher demand of manufacture in the future, which is in the same area of current head office which located at 78 Moo 3 Dontoom-Nakornchaisri Rd. DonfaekNakornchaisriNakornpathom 73120

Thailand. The total project amount is Baht 37,383,177.57 (excluded value added tax) or Baht 40,000,000 (included value added tax)

Moreover, during the previous 6 months, The Board of Directors has approved the Company's investment in the ordinary shares of VSM Thailand Co., Ltd. ("VSM Thailand") from the existing shareholders, i.e. Verde Smart Motors, Inc. ("VSM Inc."), Mr. Shannon Bard, Mr. Brent Alexander Roland and Mr. Mark Vange, totaling 1,000 shares at the par value of Baht 100 each, representing 100% of the total shares of VSM Thailand. The purchase price of the shares is 0.10 USD per share (equivalent to Baht 3.60 per the exchange rate of Baht 36:1 USD) and the total purchase price is 100 USD (equivalent to Baht 3,600 per the exchange rate of Baht 36 :1 USD). At the present, VSM Thailand has the outstanding debt to VSM in the amount of 650,000 USD (equivalent to Baht 23,400,000 per the exchange rate of Baht 36:1 USD). After this transaction and the Company becomes the shareholder of VSM Thailand, the Company will bear this outstanding debt of VSM Thailand and such debt will be paid in 3 installments to VSM and the last installment will be paid at the end of the second year after the execution date of the shares purchase agreement. Hence, the total investment in VSM Thailand's common stock is 650,100 USD (equivalent to Baht 23,403,600 per the exchange rate of Baht 36 :1 USD). Apart from the outstanding debt of VSM Thailand, the Company has no further obligation under this transaction. With respect to the value of VSM Thailand's assets, the independent appraiser, i.e. Wealth Appraisal Co., Ltd., has valued the value of VSM Thailand's assets on November 23, 2016. Based on the appraisal, the market value of VSM Thailand's assets is Baht 22,593,000. Therefore, the price for the investment in VSM Thailand was determined at 650,100 USD (by the acquisition of shares with liability of the outstanding debts), which is in line with the market value appraised by the appraiser. The company expects to buy the machinery and employ more employees in order to operate the said motor production business valued at 16,700,000.00 Baht. The total value of investing in VSM Thailand, buying new machinery and employing new employees is approximately 40,103,600.00 Baht.



As a result, total investment in 2 transactions above is around Baht 80,103,600.00 which is calculated with the Company's Financial Statement for the year 2017 as of December, 31th, 2017, the transaction size is equal to 18.22%.

The general financial information of VSM Thailand is set out below (prepared by the management of VSM Thailand):

Financial Statement

Unit: Million Baht	PIMO's Financial Statement As of 31 December, 2016	VSM Thailand's Financial Statement As of 30 November, 2016 ¹
Total Assets	439,749,974.00	15,171,437.44
Intangible Assets	608,186.00	-
Total Liabilities	129,727,472	26,764,610.46
Accumulated Profit (Loss)	64,085,855	(11,693,173.02)
Net Profit (Loss)	40,359,294	(6,994,933)
Net Total Assets ("NTA")²	161,832,733.00	(11,593,173.02)

Notes: ¹VSM Thailand's 11 months-Financial Statement prepared by VSM Thailand's management

²Net Total Assets (NTA) calculated by Total Assets – Intangible Assets – Total Liabilities – Minority shareholders' equities

The transaction size is calculated according to acquisition of assets with the value, in accordance with the notification of the Capital Market Subsidiary Re: Disclosure of information and other act of Listed Companies as below:

The transaction of investment in new factory project and investment in the ordinary shares of VSM Thailand (previous 6 months transaction)

Criteria	Description	Calculation ¹ (Unit: million Baht)	Size of transaction
1. NTA basis	Acquisition size x NTA ² VSM Thailand x 100 ² NTA PIMO		n/a ³
2. Net Profit basis	Acquisition size x Net Profit of VSM Thailand x 100 Net Profit of PIMO		n/a ⁴
3. Value of consideration basis	Value of consideration given ⁵ x 100 Total Assets of PIMO	80.10 x100 439.75	18.22%
4. Share Capital basis	No. of shares issued for acquisition x 100 No. of shares issued & paid up of PIMO		-

Notes: ¹ Calculated from PIMO's audited financial statement as of 31 December 2017

² Net Total Assets (NTA) calculated by Total Assets – Intangible Assets – Total Liabilities – Minority shareholders' equities

³ Not available due to NTA of VSM Thailand is negative

⁴ Not available due to VSM Thailand generated loss

⁵ The total size of transactions is Baht 80,103,600.00

The total size of transaction is calculated by acquisition basis in the value of the consideration given equivalent to 18.22% comparing to the value of consideration paid as of the financial statements as at -31 December 2016 which the transaction size is calculated according to acquisition of assets with the value equivalent higher than 15% but lower than 50%, in accordance with the notification of the Capital Market Subsidiary Board and the notification of the Board of Governors of the Stock Exchange of Thailand. Consequently, the Company is required to disclose information on the entering into the transaction of the Stock Exchange of Thailand, and deliver circular to shareholder within 21 days from the date on which the information is disclosed to the Stock Exchange of Thailand.

4. General information of acquisitions

Investment of new factory project

Type: Construction

Contractor: Chaiwat Construction Co., Ltd.

Location: 78 Moo 3 Dontoom-Nakornchaisri Rd. DonfaekNakornchaisriNakornpathom 73120,
Thailand

Expected value of project:

Description	Amount (Baht)
Value of construction project (excluded value added tax)	37,383,177.57
Value added tax	2,616,822.43
Total value of construction project (Included value added tax)	40,000,000.00

Investment of VSM Thailand

Type: Common stock

Company's Name: VSM Thailand Co., Ltd.

Business type: Motor and electric equipment manufacturer

Registered Capital: Baht 100,000 included of 1,000 shares with Baht 100 per share

Establishment: 27 April 2015

Registration Number: 0135558008503

Structure of shareholders

Shareholder	Before Transaction		After Transaction	
	Shares amount	%	Shares amount	%
1. VSM, Inc.	997	99.70	-	-
2. Mr. Shannon Bard	1	0.10	-	-
3. Mr. Brent Alexander Roland	1	0.10	-	-
4. Mr. Mark Vange	1	0.10	-	-
5. PIMO	-	-	998	99.80
6. Two Designated persons	-	-	2	0.20
Total	1,000	100.00	1,000	100.00

Structure of Board of Directors

Board of Directors (Before transaction)	Board of Directors (After transaction)
1. Mr. Shannon Bard	1. Mr. Wasunltthirojanakul
2. Mr. Brent Alexander Roland	2. Ms. Siratltthirojanakul
3. Mr. Mark Vange	3. Mr. Christopher Robert Tape
4. Mr. Phromphiriya Paphakornwattanachai	

The acquisition of asset

1) The Exclusive License Agreement

Licensor: VSM

Licensee: The Company

2) The Supply Agreement

Licensor: VSM

Licensee: The Company

3) Machines Equipment and employees Baht 16,700,000.00

5. Total value consideration

Investment of new factory project

Investment value: Baht 40,000,000.00

Investment of VSM Thailand's common stock

The Company investment in the ordinary shares of VSM Thailand which cost totaling 1,000 shares at the par value of Baht 100 each, representing 100% of the total shares of VSM Thailand. The purchase price of the shares is 0.10 USD per share (equivalent to Baht 3.60 per the exchange rate of Baht 36: 1 USD) and the total purchase price is 100 USD (equivalent to Baht 3,600 per the exchange rate of Baht 36: 1 USD), which VSM Thailand is in debt to VSM in the amount of 650,000 USD (equivalent to Baht 23,400,000 per the exchange rate of Baht 36: 1 USD). After this transaction and the Company becomes the shareholder of VSM Thailand, the Company will bear this outstanding debt of VSM Thailand and such debt will be paid in 3 installments to VSM and the

last installment will be paid at the end of the second year after the execution date of the shares purchase agreement. Moreover, the Company purchased common stock of VSM Thailand equivalent to USD 650,100 (equivalent to Baht 23,403,600 per the exchange rate of Baht 36: 1 USD), and Machines Equipment and employees equivalent to Baht 16,700,000.00. Hence, the total amount of VSM Thailand is equal to Baht 40,103,600.00

As a result, the total value of both transactions is approximated to be Baht 80,103,600.00.

6. Value of assets purchased

Chaiwat Construction Co., Ltd. had proposed the construction cost of the new factory equivalent to Baht 40,000,000.00 (Included value added tax).

Moreover, in the previous 6 months, the Company had acquired common stocks of VSM Thailand in amount of 1,000 shares at par value of Baht 100 which is 100% of shares at price of US Dollar 0.10 per share (Baht 3.60 at exchange rate of 36 Baht/US Dollar), and VSM Thailand's assets which the market value equivalent to Baht 22,593,000 (Appraised by independent appraiser Wealth Appraisal Co., Ltd.). In addition, the Company will acquire machines equipment and employees according to the agreement approximate Baht 16,700,000.00.

As a result, the total value of assets purchased during the previous 6 months approximately is Baht 80,103,600.00.

7. Basis to determine the value of consideration

According to the board director meeting NO. 2/2017 issue 21 Feb 2017, The Company invested in new expansion project in the total value of Baht 37,383,177.57 (excluded value added tax) or Baht 40,000,000.00 (included value added tax) as proposed by Chaiwat Construction Co., Ltd.

Moreover, during the previous 6 months, the Company investment in the ordinary shares of VSM Thailand which cost totaling 1,000 shares at the par value of Baht 100 each, representing 100% of the total shares of VSM Thailand. The purchase price of the shares is 0.10 USD per share (equivalent to Baht 3.60 per the exchange rate of Baht 36:1 USD) and the total purchase price is 100 USD (equivalent to Baht 3,600 per the exchange rate of Baht 36:1 USD), which VSM Thailand is in debt to VSM in the amount of 650,000 USD (equivalent to Baht 23,400,000 per the exchange rate of Baht 36:1 USD). After this transaction and the Company becomes the shareholder of VSM

Thailand, the Company will bear this outstanding debt of VSM Thailand. The transaction cost is in line with the market value of VSM Thailand's assets which is appraised by independent appraiser, i.e. Wealth Appraisal Co., Ltd., which the market value equivalent to Baht 22,593,000.00. Moreover, the Company has to acquire machines equipment and employees in total value of Baht 16,700,000.00 according to the agreement condition. The total investment value is approximately 40,103,600.00 Baht.

8. Benefit expected to be generated

The Company anticipates that the Company and shareholders will have benefits from acquisition as follows

- 1) The Company will be able to increase manufacturing capacity in order to support higher demand in the future
- 2) The Company will be able to have rights to manufacture BLDC-AXIAL FLUX MOTORS which the intelligent property is belong to VSM Inc.
- 3) The Company will be able to have rights to distribute BLDC-AXIAL FLUX MOTORS which the intelligent property is belong to VSM Inc.
- 4) The Company is expected to generate higher revenue from the BLDC-AXIAL FLUX MOTORS

9. Source of fund

The source of fund is from profit generated by itself; in case of the fund is not sufficient, the Company will lend from financial institution(s).

10. Opinion of the Board of Directors

The Board of Directors anticipates that the acquisitions will benefit the Company and shareholders, due to the Company will be able to generate higher revenue and profit from the rights to manufacture and distribute the BLDC-AXIAL FLUX MOTORS and higher manufacturing capacity from the new factory .

11. Opinion of the Audit Committee

The Audit Committee has no different opinion from The Board of Directors

This letter is forwarded for your information accordingly.

Sincerely yours

Pioneer Motor Public Company Limited

Miss SiratItthirojanakul

Assistant Managing Director

Summary of Details of the Warrant to purchase ordinary shares of
PIONEER MOTOR PUBLIC COMPANY LIMITED, Series 1 (PIMO-W1)

1. Details of the Warrants

Items	Descriptions
Type of securities	Warrant to purchase new ordinary shares of Pioneer Motor Public Company Limited, Series 1 (“warrants” or “PIMO – W1”)
Type of warrants	Registered form and transferable
Number of warrants	104,000,000 units
Number of shares reserved for exercising warrants	104,000,000 shares with par value of Baht0.25each or 20% of total paid-up capital of the Company totally 520,000,000 shares
Offering Price	0.00 Baht (zero Baht) per units.
Allocation method	Allocation to existing shareholders of the Company who subscribed for increased ordinary shares at the ratio of 5 ordinary shares per 1 unit of warrant. Any fraction will be disregarded. The Record Date for the names of shareholders entitled to subscribe for warrants is set to be May 8, 2017 and the names of entitled shareholders will be gathered PIONEER MOTOR PUBLIC COMPANY LIMITED Warrant Covenants pursuant to Section 225 of the Securities and Exchange Act by means of closing of the share register book on May9, 2017.
Exercise Ratio	1 unit of warrant has a right to purchase 1 new ordinary share, subject to change in accordance with the adjustment.
Exercise Price	1.20 Baht per share, subject to change in accordance with the adjustment.
Issue date	Within 1 year from the date of shareholders’ meeting to approve the issuance and

Items	Descriptions
	offering of PIMO – W1
Term of warrants	2 years from issue date of PIMO – W1
Exercise period	<p>- <u>First exercise</u>December 15, 2017</p> <p>- <u>Second exercise</u>June 15, 2018</p> <p>- <u>Third exercise</u>December 14, 2018</p> <p>- <u>Fourth exercise</u>At the maturity date(2 years)</p> <p>In case the exercise date is on the holiday of the Company, the exercise date will be made on the last business day prior each exercise date.</p>
Date to notify the Intention to exercise	The warrant holders who wish to exercise his/her rights to purchase ordinary shares of the Company shall notify such intention during 9.00 am. to 3.30 pm. of any business day within 7 business days prior to each exercise date except the last exercise date which the warrant holders can notify such intention within 15 days prior to the last exercise date.
Secondary market forwarrants	The Company shall proceed to list this issuance of warrants on the mai.
Secondary market for ordinary shares from exercising warrants	The Company shall register ordinary shares issuable upon the exercise of warrants on the mai.
Adjustment of Rights	<p>The Company will adjust the exercise price and ratio in order to maintain the benefits of the warrant holders upon the occurrences of any of the following events:</p> <p>1. The Company changes the par value of its shares as a result of share split or</p>

Items	Descriptions
	<p>consolidation.</p> <p>2. When the Company offers to sell newly issued ordinary shares to the existing shareholders and/or to general public and/or to specific individuals (private placement) at the average price per share of the newly issued ordinary shares less than 90 percent of “the market price of the ordinary shares of the Company”.</p> <p>3. When the Company offers the existing shareholders and/or general public and/or private placement any newly securities, which give rights to the holders of those securities to convert into ordinary shares, i.e. Convertible Debenture or Warrants. And the average price per share of newly issued ordinary shares to accommodate those rights is lower than 90 percent of “the trading market price of the Company’s ordinary shares”.</p> <p>4. The Company pays out all or parts of its dividend with its ordinary shares to its shareholders.</p> <p>5. The company pays out dividend exceeding 80 % of net profit from the company’s separate financial statements after the deduction of legal reserve in the financial period during the validation and term of Warrant.</p> <p>6. In case there are any events not mentioned in 1. – 5. that may impair the rights and benefits of the warrant holders.</p> <p>Remark: adjusted exercise price cannot lower than par value</p>
Other Conditions	<p>The Board of Directors or the person(s) entrusted by the Board of Directors shall be authorized to determine or change terms, conditions and other details regarding to PIMO – W1, including the authority to determine the reasons of the issuance of new</p>

Items	Descriptions
	ordinary share to accommodate an adjustment or changes in the exercise price and/or exercise ratio related to PIMO – W1, and shall also be empowered to take any actions necessary as appropriate regarding the issuance and offering of PIMO – W1 and listing PIMO – W1 in the Stock Exchange of Thailand as well as to proceed for necessary approval from relevant authorities.
Warrant registrar	Thailand Securities Depository Company Limited (“TSD”)

2. The impact to shareholders from the issuance of warrants (Dilution Effect)

❖ Dilution Effects to the shareholders can be shown as below:

- Case 1: The issuance and offering of warrants in the amount of 104,000,000 units are made to existing shareholders, and none of those who are not the existing shareholders exercise PIMO-W1.
- Case 2: The issuance and offering of warrants in the amount of 104,000,000 units are made to existing shareholders, but none of those who are the existing shareholders exercise the whole amount of PIMO-W1.

2.1 Control Dilution

Case 1: Control Dilution is equivalent to zero since the existing shareholders subscribe for new shares in

proportion to their shareholding and exercise the whole amount of the warrants, and none of those who are not the existing shareholders exercise PIMO-W1.

Case 2: The issuance and offering of warrants in the amount of 104,000,000 units are made to existing shareholders, but none of those who are the existing shareholders exercise the whole amount of PIMO-W1. As a result, the Control Dilution for the existing shareholders will be equivalent to 16.67 which can be calculated as following formula:

$$\begin{aligned}
 \text{Control dilution} &= \frac{\# \text{ of shares reserved for offering}}{(\# \text{ of paid up} + \# \text{ of shares reserved for PIMO} - W1)} \\
 &= \frac{14,000,000}{520,000,000 + 104,000,000} \\
 &= 16.67 \%
 \end{aligned}$$

2.2 Price Dilution

Case 1 & Case 2: Due to the Exercise Price of PIMO-W1 is equivalent to Baht 1.20 per unit which is lower than the Company's market share price which is equivalent to Baht 2.82 per share (calculating from the volume weighted average price during 15 working days before the date of this approval of the Board of Directors' meeting) which will decrease the price equal to 9.57% calculating as following formula:

$$\text{Price dilution} = \frac{\text{Market Price Before the offering} - \text{Market Price after the offering}}{\text{Market Price Before the offering}}$$

Where,

$$\begin{aligned}
 \text{Market Price after offering} &= \frac{(\text{Market Price} \times \# \text{ of paid-up shares}) + (\text{Exercise Price} \times \# \text{ of shares reserved for offering})}{\# \text{ of paid-up shares} + \# \text{ of shares reserved for offering}} \\
 &= \frac{(2.82 \times 520,000,000) + (1.20 \times 104,000,000)}{520,000,000 + 104,000,000} \\
 &= 2.55
 \end{aligned}$$

Hence, The Price Dilution is equal to

$$\begin{aligned}
 &= \frac{2.82 - 2.55}{2.82} \times 100 \\
 &= 9.57\%
 \end{aligned}$$

2.3 EPS Dilution

Case 1 & Case 2:

- The Company's earning is equivalent to Baht 40,359,294 for the year 2016

- EPS before the offering is equivalent to Baht 0.0776 per share (Earning/ No. of paid-up shares in the amount of 520,000,000 shares) which can be calculated is following:

$$\text{Earning per Share dilution} = \frac{\text{EPS Before Offering} - \text{EPS After Offering}}{\text{EPS Before Offering}}$$

$$= \frac{0.0776 - 0.0647}{0.0776}$$

$$= 16.67\%$$

(F 53-4)

Capital increase report form

Name of Company PIONEER MOTOR PUBLIC COMPANY LIMITED

Date 22 February 2017

We Pioneer Motor Public Company Limited, hereby report on the resolution of board of directors meeting no.2/2017, held on 21 February 2017 from 10.00 to 13.00 hours, relating to a capital increase/share allotment as follows:

1. Capital increase:

The board meeting passed a resolution approving the increase of the company's registered capital from THB 130,000,000 to THB 156,000,000 by issuing 104,000,000 ordinary/preferred shares with a par value of THB 0.25 each, totaling THB 26,000,000 million. Details of each type of capital increase are:

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	104,000,000	0.25	26,000,000
	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
To support the exercise of warrants allocated to existing shareholders	104,000,00	5:1	0.00 (Exercise Price: 1.20)	Note 1	Note 1

Notes: 1) The Board of Directors Meeting No. 2/2017 held on February 21, 2017 had the resolution to propose that the Annual General Meeting of Shareholders consider and approve the issuance and offering of Warrants to Purchase newly issued shares of the Company allocated to the existing shareholders proportionally (Right Offering/RO) No. 1 ("PIMO-W1") in the amount of 104,000,000 units to allocate to the existing shareholders proportionally scheme No. 1 at ratio of 5 ordinary shares per 1 warrants violated at no cost.

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

For the calculation of allotment of PIMO-W1 to each shareholder, if there is any fraction from the said allocation, the fraction shall be disregarded

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

The ordinary meeting of shareholders is scheduled to be held on April 25, 2017 at 14.00 hr. at Rachavadee Room number 2-4, 3th Floor, GOLDEN TULIP SOVEREIGN HOTEL BANGKOK number 92 SOI SAENGCHAM - RAMA 9 ROAD - HUAY KWANG BANGKOK 10320.

The share register will be recorded for share transfer in order to determine the right to attend this meeting on May 8, 2017. Also, May 9, 2017 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)

4.1 The approval from Annual General Meeting of Shareholders for the year 2017

4.2 The Company shall register the increase of registered capital and paid-up capital with the Department of Business Development, Ministry of Commerce.

4.3 The Company shall conduct the related filings to the Stock Exchange Market for registering Warrants PIMO-W1 to be allotted to the existing shareholders and the ordinary shares to be reserved for exercising of warrants PIMO-W1 as listed securities for the purpose of trade in the Stock Market (mai).

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

5.1 To reserve for exercising warrants PIMO-W1

5.2 To utilize the fund from capital increase for working capital of the Company and invest in company's business.

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

6.1 The issuance of warrants PIMO-W1 will utilized the Company's cashflow and increase working capital.

6.2 To increase the Company's capital for future investment

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

7.1 Dividend policy: The Company has a policy to pay dividend to the shareholders at the rate of not less than 40% of net profit after deduction of corporate income tax and legal reserves. There will be no signification effect, if there is no necessary event and the dividend payment has no effect on the Company's profit

7.2 The warrants' holder who exercises the right to purchase new ordinary shares of the Company will become the Company's shareholder upon the completion of registration of the Company's paid-up capital with the Department of Business Development.

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:**

No.	Procedures of the capital increase	Date/Month/Year
1.	Board of Directors Meeting No.2/2017	February 21, 2017
2.	The Record date determining the shareholders who are eligible to attend the Annual General Meeting of Shareholders for the year 2017	March 8, 2017
3.	Date of closing the Company's share register book to gather the list of shareholders who are eligible to attend the Annual General Meeting of Shareholders for the year 2016	March 9, 2017
4.	The Annual General Meeting of Shareholders 2017	April 25, 2017

5.	Date to determine the shareholders' right to receive warrants (PIMO-W1)	May 8, 2017
6.	Date of closing the Company's share register book to gather the list of shareholders who are eligible to receive warrants (PIMO-W1)	May 9, 2017
7.	Registration of the Company's capital increase 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.

(MS. SIRIRAT ITTHIROJANAKUL)
ASSISTANT MANAGING DIRECTOR