

**Information Memorandum on Private Placement of Newly Issuance Ordinary Shares of Srisawad Corporation
Public Company Limited**

According to the resolution passed by the Board of Directors of Srisawad Corporation Public Company Limited during meeting number 9/2018 on the 17th of September 2018, the registered capital is to be increased from 1,192,710,379 Baht to 1,249,710,379 Baht by way of an issuance of 57,000,000 Ordinary Shares at 1 Baht par value. The intention of the transaction is to accommodate a share capital increase through a Private Placement transaction. The resolution also provided for the transaction to be presented in the Extraordinary General Meeting of Shareholders number 2/2018 to be held on the 16th of November 2018 for further consideration and approval.

The details of the private placement allotment that are essential to the shareholders in deciding whether or not to approve the transaction may be summarized as follows:

1. Details of the Offer

1.1 Offer and Allotment Method

As part of the share capital increase, the Company will issue 57,000,000 Baht in Ordinary Shares at 1 Baht par value at the price of 45 Baht per share, totaling 2,565,000,000 Baht in value. The new shares will be offered via a private placement to Cathay Financial Holding Co., Ltd. ("Investor"), at present held 4.99% in the Company or its associates, neither of which are a related party to the Company in accordance with the SEC notification number Tor Jor 21/2551.

The issuance and offering of the said ordinary shares will be an allotment of new shares through a Private Placement whereby the shareholders have clearly established the selling price at 45 Baht per share, which is a selling price not lower than the market price. The approach is in accordance with SEC notification Tor Jor 72/2558 regarding the rights of a registered company to allot shares by means of a Private Placement, dated 28 October 2015 (and has subsequently been revised) (Notification Tor Jor 72/2558). The market price is determined to be 42.47 Baht per share by considering the weighted average price of the Ordinary Shares in the Stock Exchange of Thailand ("Stock Exchange"), starting from the 27th of August 2018 to the 14th of September 2018, a total of 15 consecutive working days prior to the resolution by the Board of Directors to approve such allotment or 5.96% higher than market price.

According to Private Placement Notification, the offering of newly issued ordinary shares to specific persons at a clearly determined offering price as stipulated in Notification Tor Jor 72/2558. In addition to obtaining approval from the shareholders' meeting, the Company will also have to receive permission from the SEC in accordance with rule number Tor Jor 72/2558 prior to making the allotment of the share capital increase to the investor. Additionally, if during offering period, the Private Placement offering price is lower than 90% of the market price (calculated from the Company's share weighted average price on the stock

exchange 7-15 consecutive working days prior to the offering period) , the investor may considered to follow Silent Period regulation for one year. Once the ordinary capital increase shares have been traded for 6 months on the stock exchange, the investor may start to gradually sell the prohibited shares up to 25% of the total shares that were prohibited.

Subsequent to the allotment of Capital Increase Ordinary Shares, the investor will hold in total 114,388,913 shares, or 9.49 percent of the total shares outstanding after registration of the capital increase. This will not result in the investor having tender offer for all of the shares outstanding, based on SEC notification number Tor Jor 12/2554 regarding the rules, conditions, and procedures for the acquisition of securities for business takeovers.

The list of shareholders and their shareholding as shown in the book of shareholder's registration as of 4 May 2018 and the list of shareholders and their holding after allotment of newly issued shares via Private Placement under unchanged of other shareholders assumption are as follows:

Shareholders	4 May 2018		After issuance of new share via Private Placement	
	Share Amount	%	Share Amount	%
1. Kaewbootta Family consisting of	545,416,492	47.52	545,416,492	47.27
1.1 Ms Thida Kaewbootta	363,873,024	31.70	363,873,024	30.20
1.2 Ms DOUNGCHAI Kaewbootta	72,510,959	6.32	72,510,959	6.02
1.3 Mr. Chatchai Kaewbootta	40,168,909	3.50	40,168,909	3.33
1.4 Mrs. Jariya Kaewbootta	68,863,600	6.00	68,863,600	5.72
2. Thai NVDR Company Limited	110,569,704	9.63	110,569,704	9.18
3. South East Asia UK (Type A) Nominees Ltd. (Cathay Financial Holding Co., Ltd.)	57,388,913	4.99	114,388,913	9.49
4. State Street Bank Europe Limited	31,561,106	2.75	31,561,106	2.62
5. South East Asia UK (Type C) Nominees	28,653,784	2.50	28,653,784	2.38
6. K 20 Select Long Term Fund	13,098,224	1.24	13,098,224	1.09
7. EGAT Provident Fund	12,591,933	1.10	12,591,933	1.05
8. K Flexible Equity RMF	9,844,086	0.86	9,844,086	0.82
9. Mr. Suthisak Chairpradit	8,022,285	0.70	8,022,285	0.67
10. Krungsri Dividend Stock LTF	7,752,468	0.68	7,752,468	0.64
11. General investors	322,872,593	28.09	322,872,593	26.80
รวม	1,147,771,588	100.00	1,204,771,588	100.00

It is proposed that the authorities to perform the tasks related to the issuance and allotment of capital increase shares in the Private Placement be delegated to the Board of Directors, the Chief Executive Officer,

an individual assigned by the Board of Directors, or an individual assigned by the Chief Executive Officer . The tasks also include seeking approval from all pertinent governing authorities, as well as any necessary procedures in order for the Private Placement issuance and allotment of capital increase shares to be completed.

1.2 Method to Determine the Offering Price

The Company has established the price of the capital increase shares through Private Placement by comparing the values of the estimations as follows:

Book-value as of 30 June 2018	9.24 Baht per share
Weighted-average price for the 15 consecutive working day period prior to the Board resolution (i.e., from 27 August 2018 to 14 September 2018)	42.47 Baht per share
Private Placement offered price	45.00 Baht per share

The Company has established the offered price using the weighted average of 15 consecutive working days prior to the Board resolution, which is the method the best represents the value of the Company. In addition, this offered price is 5.96% higher than 15 consecutive working days weighted average market price.

2. Objectives of the Issuance of the Capital Increase Shares and The Plans to Utilize the Proceeds

The issuance of capital increase shares is intended for the following purposes:

1. To expand the Company's loan with collateral and loan without collateral businesses; which expand through the Company's subsidiaries such as Srisawad Finance Public Company Limited, Srisawad Power 2014 Co., Ltd. and Fast Money Co., Ltd. not exceeding to 1,500 Million Baht.
2. To expand the investment in the loan with collateral business abroad. This project is under the processing of seeking, negotiation then the usage of fund will not exceeding to 200 Million Baht.
3. To expand the investment in the distressed asset management business through the Company's subsidiary, SWP Asset Management Co., Ltd. amounted 500 Million Baht.
4. To help alleviate the Company's liabilities to the financial institutions as well as to provide for additional working capital.

The Board assigns the Chief Executive Officer to consider the appropriated time and objectives to utilize the proceeds.

3. Impact From the Share Offer

3.1 Impact to the share price of the Company (Price Dilution)

Price Dilution = (market price prior to PP capital increase – market price after PP capital increase) /
market price prior to PP capital increase

Whereby

Market price after PP capital increase

$$= \frac{((\text{market price} \times \text{number of paid-up shares}) + (\text{offer price} \times \text{number of PP shares}))}{\text{number of paid-up shares} + \text{number of PP shares}}$$

Whereby

Market price prior to the capital increase = Market price based on the weighted average selling price on the stock exchange 15 consecutive working days prior to the Board resolution (27 August 2018 to 14 September 2018), which is equal to 42.47 Baht.

Offered price = Price of the shares issued and offered in the PP setting, which is equal to 45 Baht.

Number of paid-up shares = The number of shares currently issued and outstanding, which is equal to 1,147,771,588 shares.

Number of PP shares = The number of shares to be issued and offered in the Private Placement

Therefore

Market price after the PP capital increase

$$= \frac{(42.47 \times 1,147,771,588) + (45 \times 57,000,000)}{1,147,771,588 + 57,000,000}$$
$$= 42.59 \text{ Baht per share}$$

Since the market price after the PP capital increase is **higher** than the market price prior to capital increase, there is **no impact to the share price** (i.e., no price dilution).

3.2 Impact to the rights to vote of the shareholders (Control Dilution)

Control Dilution = number of PP shares / (number of paid-up shares + number of PP shares)

$$= 57,000,000 / (1,147,771,588 + 57,000,000)$$

= not more than 4.73 percent

3.3 Impact to the profit sharing of the shareholders

$$\text{EPS Dilution} = (\text{EPS}_0 - \text{EPS}_{pp}) / \text{EPS}_0$$

Whereby

$$\text{EPS}_0 = \text{Net profit for the last 4 quarters} / \text{number of Paid-up shares} = 2.03$$

$$\begin{aligned} \text{EPS}_{pp} &= \text{Net profit for the last 4 quarters} / \text{number of Paid-up shares} + \text{number of PP shares} \\ &= 1.94 \end{aligned}$$

$$\begin{aligned} \text{EPS Dilution} &= (2.03 - 1.94) / 2.03 \\ &= \text{not more than 4.43 percent} \end{aligned}$$

3.4 The value to the shareholders comparing with the control dilution effected

The Board of Directors has opined that the offered of newly issuance via Private Placement is not considered “discounted price”. It will be the benefits to the shareholders more than the effect on control dilution as the Company has the opportunity to generate more revenue and returns to the Company and shareholders.

4. Background information on the investor who will be receiving the Private Placement capital increase share allotment

Name of the Private Placement recipient

Cathay Financial Holding Co., Ltd. The number of shares to be allotted total 57,000,000 shares at the price of 45 Baht per share, totaling Baht 2,565,000,000

Information of the Private Placement recipient as of 31 March 2018

Name of Company	Cathay Financial Holding Co., Ltd.	
Type of Business	Financial Services and Insurance	
Date of Registration	31 December 2001	
Country of Establishment	Taiwan	
Registered Capital	NT\$ 140,965,101,280 or approximately 162,109 Million Baht	
Key Financial Highlight As of 31 December 2017	Net Income (MB)	65,173
	Earning per share (Baht)	5.14
	Total Assets (MB)	10,167,736
	Equity (MB)	699,741
Names of Directors	Hong-Tu Tsai	Chairman
	Tsu-Pei Chen	Vice Chairman
	Cheng-Ta Tsai	Director

	<p>Cheng-Chiu Tsai Director</p> <p>Chi-Wei Joong Director</p> <p>Andrew Ming-Jian Kuo Director</p> <p>Tiao-Kuei Huang Director</p> <p>Ming-Ho Hsiung Director</p> <p>Chang-Ken Lee Director</p> <p>Tsing-Yuan Hwang Independent Director</p> <p>Feng-Chiang Miao Independent Director</p> <p>Edward Yung Do Way Independent Director</p>																				
Names of Major Shareholders	<table> <tr> <td>Wan Pao Development Co., Ltd.</td> <td>16.67%</td> </tr> <tr> <td>Lin Yuan Investment Co., Ltd.</td> <td>14.56%</td> </tr> <tr> <td>Labor Pension Fund Supervisory Committee- Labor Retirement Fund Under the new system</td> <td>2.08%</td> </tr> <tr> <td>Labor Pension Fund Supervisory Committee- Labor Retirement Fund</td> <td>1.36%</td> </tr> <tr> <td>Shin Kong Life Insurance Co., Ltd.</td> <td>1.30%</td> </tr> <tr> <td>Citibank (Taiwan) as Directed Trustee For GIC- Government of Singapore</td> <td>1.22%</td> </tr> <tr> <td>TransGlobe Life Insurance Inc.</td> <td>1.05%</td> </tr> <tr> <td>Wan Ta Investment Co., Ltd.</td> <td>1.05%</td> </tr> <tr> <td>Nan Shan Life Insurance Co., Ltd.</td> <td>1.03%</td> </tr> <tr> <td>Fubon Life Insurance Co., Ltd.</td> <td>1.01%</td> </tr> </table>	Wan Pao Development Co., Ltd.	16.67%	Lin Yuan Investment Co., Ltd.	14.56%	Labor Pension Fund Supervisory Committee- Labor Retirement Fund Under the new system	2.08%	Labor Pension Fund Supervisory Committee- Labor Retirement Fund	1.36%	Shin Kong Life Insurance Co., Ltd.	1.30%	Citibank (Taiwan) as Directed Trustee For GIC- Government of Singapore	1.22%	TransGlobe Life Insurance Inc.	1.05%	Wan Ta Investment Co., Ltd.	1.05%	Nan Shan Life Insurance Co., Ltd.	1.03%	Fubon Life Insurance Co., Ltd.	1.01%
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Relationship with the Company	<p>Cathay Financial Holding Co., Ltd. currently holds 4.99 percent of the Company's shares. Subsequent to the allotment of the capital increase shares, Cathay Financial Holding Co., Ltd. will hold 9.49 percent of the registered capital subsequent to the registration of the capital increase, and has right to propose an individual to become a member of the Company's Board of Directors, with the necessary approvals from the shareholders. Since the investor is not a related party to the Company, the issuance and allotment of capital increase shares is not considered as a related party transaction as defined in the SEC notification Tor Jor 21/2551 regarding rules on connected transactions, dated 31 August 2008, as well as the notifications by the Board of Governors of the Stock Exchange of Thailand</p>																				

	regarding disclosure of information and Other Acts of Listed Companies Concerning the Connected Transactions.
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Ref : <http://www.cathayholdings.com>

5. The opinions of the Board of Directors

1. Rationale for the Private Placement capital increase

The Board of Directors views that the Company is in need of issuing and allotting capital increase shares by means of a Private Placement in order to fund the business expansion, as well as reduce the liabilities and fund the working capital. Moreover, the Company and the investor has plans to jointly expand the financial service business into other countries.

2. Feasibility of the business plans and sufficiency of the funds available

The Company will utilize the cash raised from this capital increase share sale to expand the business and alleviate the liabilities, which would in turn lower the funding expenses and enhance the Company's growth potential.

3. Impact on the overall business of the Company, including the financial stability and overall performance of the Company from the capital increase

The Board of Directors opines that the cash to be received from this capital increase will enable the Company to expand the business and thereby increase the revenues, reduce the funding costs, and strengthening the financial stability and overall performance of the Company.

4. Reasonableness of the Private Placement offered price and the rationale behind the offer price calculation

The Company established the offer price which is the price mutually agreed between the Company and the investor. In determining the price, the Company compared offer price to the weighted average price for the period of 15 consecutive working days prior to the Board resolution (from 27 August 2018 to 14 September 2018), which is equal to 42.47 Baht per share. The offer price of 45 Baht per share is not lower than the market price of the Company's shares based on notification Tor Jor 72/2558. The Board considers this offer price to be reflective of the value of the Company. Additionally, when taking into account the additional benefits that Company will receive from the Private Placement share capital increase, including the funding for business expansion, the lower funding costs, as well as the joint business investment in other countries, the Board feels that the transaction would be in the best interest of the Company and its shareholders.

5. Rationale for the offer of new shares to be in a Private Placement arrangement

Cathay Financial Holding Co., Ltd. is Taiwanese well known corporate which has expertise in financial services, insurance, securities, and banking-specific technologies, as well as financial stability that shall synergize with the Company business. The investor and the Company also has plans to participate in a joint effort to invest and/or acquire in financial business in Thailand and other countries which will be beneficial to the Company.

The capital increase and allotment of ordinary shares to Cathay Financial Holding Co., Ltd. will provide the Company with additional funding for business expansion, as well as opportunities to absorb capabilities in technologies specific to financial services and improve the business operations. The Board believes that the experience and expertise of the investor will increase the competitive capabilities of the Company across the country and abroad. The Board therefore opines that the issuance and allotment of capital increase shares to this particular investor would be reasonable.

6. Certification by the Board of Directors

The Company's Board of Directors certifies that the Board of Directors has diligently reviewed and verified the information related to the investor and is of the opinion that the investor is in good standing and has the ability to actually invest in the Company.

7. Rights to Seek Compensation for Damages from the Directors in the Event that the Directors have not fulfilled their Fiduciary Duty

According to the Section 85 of the Public Company Limited Act B.E. 2535 (including any amendment thereto), in the case that the directors of the Company do not comply with the laws, the objectives and the articles of association of the Company, and the resolution of the meeting of shareholders with due care and loyalty to preserve the interest of the Company on matters relating to the increase of registered capital, resulting that the performance of any act or non-performance of any act which fails to comply with the aforementioned duties and causes damage to the Company, the Company may claim compensation from the directors. In the case where the Company fails to make such claim, any one or more shareholders holding shares amounting to not less than 5 percent of the total number of issued shares of the Company may notify the Company requesting the Company to make such a claim. If the Company fails to take action as directed by the said shareholders, such shareholders may bring a suit to the court to claim compensation on behalf of the Company. In addition, according to Section 89/18 of the Securities and Exchange Act B.E. 2535 (including any amendment thereto), in the case where the director acts or omits to act in a way that not comply with the laws, the objectives and the articles of association of the Company, and the resolution of the meeting of shareholders with due care and loyalty to preserve the interest of the Company on matters relating

to the increase of registered capital, resulting that the director, the executive or the related person to obtain undue benefits, the Company may bring an action against the director for disgorgement of such benefits to the Company. In this regard, a shareholder or shareholders who hold shares and have the right to vote amounting to not less than 5 percent of the total number of voting rights of the Company may notify the Company requesting the Company to bring the aforementioned action and if the Company fails to proceed as requested within 1 month form the date of the notice, such shareholder or shareholders may bring an action for disgorgement of benefits on behalf of the Company.

-Doungchai Kaewbootta-

(Ms. Doungchai Kaewbootta)

Authorized Signatory

-Prayong Saennual-

(Mr. Prayong Saennual)

Authorized Signatory