

Terms Governing Rights and Obligations of the Issuer of Warrants and the Warrant Holders to purchase ordinary shares to existing shareholders of Stars Microelectronics (Thailand) Public Company Limited No. 3 (SMT-W3)

The Warrants representing the rights to purchase ordinary shares of Stars Microelectronics (Thailand) Public Company Limited No. 3 are issued by Stars Microelectronics (Thailand) Public Company Limited, in accordance with the resolution of the Annual General Meeting of shareholders for fiscal year 2021, held on 27 April 2021. The Warrant Holders shall be entitled to the rights as prescribed in these Terms whereby the Issuer of Warrants and the Warrant Holders shall be bound by these Terms in all respects. The Warrant Holders shall be deemed to have duly acknowledged and understood of all terms and conditions in the Terms. The Issuer of Warrants will maintain copies of the Terms at the Company's head office for the Warrant Holders' inspection during the business day and the regular office hours of the Issuer of Warrants or the Terms can be seen from the Stock Exchange of Thailand's website (www.set.or.th).

Definition

Terms	means	The Terms Governing Rights and Obligations of Stars Microelectronics (Thailand) Public Company Limited and the Warrant Holders to purchase ordinary shares of Stars Microelectronics (Thailand) Public Company Limited No. 3 (SMT-W3) which allocated to existing shareholders.
Warrants	means	Warrant to purchase newly issued ordinary shares of Stars Microelectronics (Thailand) Public Company Limited No. 3 in the type of the named certificates and transferable which allocated to existing shareholders of the Company.
Warrant Substitute	means	A warrant substitute issued by Thailand Securities Depository Company Limited for substitution of the Warrants to purchase ordinary shares of Stars Microelectronics (Thailand) Public Company Limited.
The Company or the Issuer of Warrants	means	Stars Microelectronics (Thailand) Public Company Limited.
The Warrant Holders	means	The holders of title to warrants representing the rights to purchase ordinary shares of Stars Microelectronics (Thailand) Public Company Limited and shall include the holders of title to Warrant Substitute representing the rights to purchase ordinary shares of Stars Microelectronics (Thailand) Public Company Limited.
Business Day	means	Regular business day of Commercial Banks, which excludes Saturday or Sunday or any other holiday announced by the Bank of Thailand.
Notification TorChor. 34/2551	means	Notification of Capital Market Supervisory Board No. TorChor. 34/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Share Warrants and Newly Issued Underlying Shares.

means The Office of the Securities and Exchange Commission.

SET	means	The Stock Exchange of Thailand.
TSD	means	Thailand Securities Depository Company Limited.
Issue Date	means	1 July 2021
Expiration Date	means	30 June 2024
First Exercise Date	means	30 September 2021
Last Exercise Date	means	28 June 2024 (Because the 30 June 2024 or 3-years maturity date is on the holiday, therefore the last exercise date is on the last business day before, on 28 June 2024.)

1. Details of the Warrants Representing the Rights to Purchase Ordinary Shares

1.1 Summary of the Key Terms of Warrants representing the Rights to Purchase Ordinary Shares

Category of Securities	:	Warrants representing the rights to purchase ordinary shares of Stars Microelectronics (Thailand) Public Company Limited No. 3 (SMT-W3)
Type	:	In named certificates and transferable
Term of the Warrants	:	3 years from an issuance and offering date of Warrants which is on 1 July 2021
Number	:	209,119,366 units
Number of ordinary shares allocated to accommodate the exercise of rights	:	209,119,366 shares, par value of 1.00 Baht per share, or being 25.00 percent of the total paid-up shares of the Company in the amount of 836,479,381 shares as on 2 June 2021
Allocation Method	:	The Warrants shall be allocated to the existing shareholders of the Company whose names appear on the date of fixing the names of shareholders who are entitled to receive the allocation and offer of the Warrants (Record Date) on 2 June 2021 at the ratio of 4 ordinary shares per 1 unit of Warrant. (in case the fraction of share will be discarded).
Offering Price	:	0.00 Baht per unit
Exercise Ratio	:	1 unit of Warrant has the rights to purchase 1 ordinary share, unless the exercise ratio is adjusted under the conditions of the rights adjustment.
Exercise Price	:	4.00 Baht per share, unless the Exercise Price is adjusted under the conditions of the rights adjustment.
Exercise Period	:	The Warrant Holders shall be entitled to exercise their rights under the Warrants on every last business day of March, June, September and December of each year until the maturity date of SMT-W3. 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.

Submission Period	:	Warrant holders who wish to exercise their rights to purchase ordinary share of the Company can submit the intention form during 9:00 to 15:30 hrs. of business days within 7 days before each of the exercise date, except for the last exercise date where Warrant holders can submit the intention form within 15 days before the last exercise date.
Secondary Market for the Warrants	:	The Company will list the Warrants as listed securities on the SET.
Secondary Market for the Ordinary Shares resulting from the exercise of rights	:	The Company will list the ordinary shares issued from the exercise of rights as listed securities on the SET.
Other conditions	:	The Board of Directors and/or Executive Chairman or the person(s) who is authorized by the Board of Directors and/or Executive Chairman shall be authorized to determine or change terms, conditions and other details including but not only limited to exercise price, exercise ratio, allotment and issue date of SMT-W3 as well as the authority to consider the necessity of the issuance of new ordinary shares to accommodate an adjustment or changes in exercise price and/or exercise ratio related to SMT-W3, and shall also be empowered to take any actions necessary as appropriate regarding to the issuance and offering of SMT-W3 and listing SMT-W3 on the Stock Exchange of Thailand as well as to proceed for necessary approval from relevant authorities.

1.2 Exercising Procedures and Conditions

1.2.1 Exercise Date

The Warrant Holders shall be entitled to exercise their rights to purchase the Company's ordinary shares on every last business day of March, June, September and December of each year until the Maturity Date of SMT-W3. Provided that the First Exercise Date shall be on 30 September 2021 and the Last Exercise Date of the Warrants shall be on 28 June 2024 (Because the 30 June 2024 or 3-years maturity date is on the holiday, therefore the last exercise date is on the last business day before, on 28 June 2024). 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. There is not the Call Exercise before the Maturity Date. The Warrant will be expired and invalid while the SET will delist such warrants as the listed securities after the Last Exercise date.

1.2.2 Exercise of the Rights to Purchase Ordinary Shares

In exercising the rights to purchase ordinary shares of the Company in each time, the Warrant Holders can exercise their rights in full or only partial to purchase the Company's ordinary shares.

1.2.3 Submission Period for Notification of Intention to Exercise

The Warrant Holders who wish to exercise their rights to purchase the Company's ordinary shares shall notify such intention mentioned in Clause 1.3 during 9:00 to

15:30 hrs. of any business day of the Company (the "Submission Period") within 7 days before each of the Exercise Date except the period for notification of the Last Exercise Date which the Warrant Holders can notify such intention within 15 days prior to the Last Exercise Date.

The Company shall not close the register book to suspend the transfer of the Warrants except the following cases;

- 1) The Last Exercise Date, which shall be closed within 21 days prior to the Last Exercise Date. And the SET will post the SP sign (suspended) on the Warrants of the Company 2 business days prior to the closing date of the register book until the Last Exercise Date (In the event that the closing date of the register book falls on the holiday of the Company, it will be postponed to the prior Business Day).
- 2) In case having the Warrant Holders Meeting, the Company may close the register book for right to attend and vote in the meeting. And the Company shall serve a notice by registered mail to the Warrant Holders at least 7 days before the meeting date.

The Company will notify the information related to the Submission Period, Exercise Date, Exercise Ratio, Exercise Price and place to exercise to the Warrant Holders through the SET's electronic system (SETLink) at least 7 days before each of the Submission Period. For the Last Exercise Date, the Company will send information by registered mail to the Warrant Holders in accordance with the names appear in the Warrant Holders Register Book within 7 days after register book closed.

1.2.4 Registrar of the Warrants

Thailand Securities Depository Company Limited
1st floor, The Stock Exchange of Thailand Building Tower B
93 Ratchadaphisek Road, Dindaeng, Bangkok 10400
Tel: 0 2009-9999
Fax: 0 2009-9991
Website: <http://www.set.or.th/tsd>

The registrar of Warrants is responsible for closing the Warrant Holders Register Book in which shall consist of first and last name, nationality and addresses of the Warrant Holders and other information as specified by TSD. In case of conflicting information, the Company will deem the information contained in the Warrant Holders Register Book as accurate. Therefore, the Warrant Holders are obligated to notify any change or mistake of their information in the Warrant Holders Register Book to the registrar directly. The Company reserves the right to change the registrar of the Warrants. The Company shall notify the new registrar to the Warrant Holders through the SET's electronic system (SETLink) and shall notify the SEC within 15 days. Including the Company shall also send such change to the Warrant Holders by registered mail.

1.3 Procedures and Contact Place to Exercise

Contact Place for exercising the Warrants is located at:
Stars Microelectronics (Thailand) Public Company Limited
586 Moo 2, Bang Pa-In Industrial Estate, Klongjig,
Bang Pa-In, Ayutthya 13160
Tel. 0-3525-8558
Fax 0-3525-8914

In case that the Company changes contact place to exercise, the Company shall notify the new contact place to the Warrant Holders through the SET's electronic system (SETLink).

The Warrant Holders can obtain the Notification of Intention to Exercise at the contact place to exercise and/or every Securities Company or download from the Company's website www.starsmicro.com during the Submission Period.

- (a) In case the Warrants are in the scripless system, the Warrant Holders, who wish to exercise their rights, shall notify the intention and complete the Application Form to withdraw the Warrants or to issue the Warrant Substitutes as prescribed by the SET by submitting to their broker notify the TSD to withdraw the Warrants or issue the Warrant Substitute to be used as the evidences for exercise the rights.
- (b) The Warrant Holders, who wishes to exercise his/her rights to purchase the Company's ordinary shares, shall comply with the conditions governing the Notification of Intention to Exercise by completely fill and sign in the Notification of Intention to Exercise, then submit such the Warrants or the Warrant Substitutes together with the Notification of Intention to Exercise and make fully payments of the exercise amount along with the stamps duty, regulations or laws such applicable on the rights to purchase ordinary shares (if any).

The documents that the Warrant Holders shall submit to the Company are as follows:

1. The Notification of Intention to Exercise which has been accurately and completely filled in; and
2. The Warrants or Warrant Substitute as prescribed by the SET that specify such holder has rights in the Warrants in accordance with the amount specified in the Notification of Intention to Exercise; and
3. Payment with the amount to exercise which specified in the Notification of Intention to Exercise. The Warrant Holders, who wish to exercise their rights, shall make payment in the forms of cash transferred, cheques, cashier cheques, drafts, bill of exchange or payment orders from banks which can be cashed in Bangkok within 2 business days from each Exercise Date and shall be made payable to "Stars Microelectronics (Thailand) Public Company Limited" or in Thai "บมจ. สตาร์ส ไมโครอิเล็กทรอนิกส์ (ประเทศไทย)" or transfer cash to saving account as the name of "Stars Microelectronics (Thailand) Public Company Limited" or in Thai "บมจ. สตาร์ส ไมโครอิเล็กทรอนิกส์ (ประเทศไทย)" account No. 004 1055 799, Current Account at TMB Bank Public Company Limited, Sathorn City Branch and the copy of the original deposit slip (Pay-in) shall be sent to the Company and please provide the first and last name and phone number to contact behind the cheques, cashier cheques, drafts, bill of exchange or original deposit slip.
4. Supporting evidence for the exercise as follows:
 - 4.1 Thai person : A certified copy of identification card
 - 4.2 Foreign person : A certified copy of passport
 - 4.3 Thai juristic person : A certified copy of the Company Certificate issued by the Ministry of Commerce not more than 6 months before the Exercise Date and evidences of authorized person according to Clause 4.1 or 4.2
 - 4.4 Foreign juristic person : A certified copy of Registration Documents notarized by Notary Public not more than 6 months

before the Exercise Date and evidences of authorized person according to Clause 4.1 or 4.2

- (c) The number of the Warrants to be exercised shall be only in the prime number. The Exercise Ratio is 1 unit of Warrant: 1 ordinary share, except the adjustment as stated in Clause 1.4.
- (d) If the Company obtains the Warrants or payments not in full as specified in the Notification of Intention to Exercise or the Company finds that the Notification of Intention to Exercise has been incompletely or inaccurately filled in by the Warrant Holders or the tax stamp is not fully affixed to the document in accordance with the laws and regulations, the Warrant Holders shall rectify the found errors within each of the Submission Period. If the Warrant Holders fail to correct the found errors within each of the Submission Period, the Company shall deem that the Notification of Intention to Exercise expires without any exercise. Then, the Company shall return the previously received payment and the Warrants to the Warrant Holders with no interest reimbursement by registered mail within 14 days from each Exercise Date.

Any failure by the Warrant Holders to make payment for such exercise of rights in full, the Company is entitled to proceed to one of the following alternatives:

1. Deem that the number of shares subscribed is equal to the number of shares eligible in accordance with the actual payment the Company received given the prevailing Exercise Price; or
2. Ask the Warrant Holders to pay the remaining balance by the amount that the Warrant Holders wish to exercise within the prevailing Submission Period. If the Company does not receive payment within such period, it shall be deemed that the Notification of Intention to Exercise expires without any exercise.

At the last date to notify the Intention to Exercise, the Company shall notify the Warrant Holders to pay with the remaining amount specified in the Notification of Intention to Exercise within the last Submission Period. If the Company does not receive the fully payment within such period, the Company shall deem that the number of shares subscribed is equal to the number of shares eligible in accordance with the actual payment the Company received given the prevailing Exercise Price.

In case of 2. above, the Company shall send the previously received payment with no interest reimbursement and the Warrants which the Company deem unexercised or, in case of 1. above, the Company shall send the remaining Warrants in case the Company deem that partially exercised after partially exercised to the Warrant Holders by registered mail within 14 days from each Exercise Date. However, the Warrants are valid until the Last Exercise Date.

- (e) When the Warrant Holders, who wishes to exercise their rights to purchase ordinary shares, has fully complied with all conditions governing the Notification of Intention to Exercise i.e. the Warrant Holders has completely and accurately delivered the Warrants, the Notification of Intention to Exercise and accurate and complete payment in full, the Warrant Holders cannot withdraw the exercise except the Warrant Holders has received a consent letter from the Company.
- (f) When the Last Exercise Date has lapsed but the Warrant Holders has not yet complied with all conditions governing the exercise as stated early, the Warrants shall be deemed expire without exercise and the Warrant Holders cannot re-exercise.

- (g) The number of ordinary shares, that shall be issued when there is an exercise, shall be calculated by dividing the payment, paid by the Warrant Holders as stated above, by the prevailing Exercise Price. The Company shall issue its ordinary shares in the prime amount not more than the number of the Warrants time the Exercise Ratio after the adjustment of the Exercise Ratio as stated in Clause 1.4 (if any), if there is the adjustment of the Exercise Price and/or the Exercise Ratio as stated in Clause 1.4 then the fraction of share has occurred, the Company shall not take the fraction into the calculation and shall return the payment left after such exercise to the Warrant Holders with no interest reimbursement within 14 days from the each Exercise Date.
- (h) The registration of change of the paid-up capital after each Exercise Date. The Company will register the change of the paid-up capital of the Company with the Ministry of Commerce within 14 days from each Exercise Date and the Company will record the Warrant Holders who has exercised the Warrants as shareholders of the Company in the Shareholders Register Book in accordance with the number of ordinary shares calculated from such exercise of the Warrants.
- (i) The Company will return the Warrants which are not exercised (if any) and cheques with the number only by the amount remaining after payment of the exercise with no interest reimbursement by register Mail at the address as stated in the Notification of Intention to Exercise within 14 days from each Exercise Date. The Company will not take any responsibilities occurred in any lost or damage the Warrants and cheques in submission processes.

1.4 Right Adjustment Conditions

1.4.1 The Company shall adjust the Exercise Price and the Exercise Ratio throughout the term of the Warrants every time that any of the following events occurs:

- (a) The Company changes the par value of its ordinary shares as a result of the combination or split of its issued ordinary shares.

The Company shall adjust the Exercise Price and the Exercise Ratio as a result of the combination or split of its issued ordinary shares. The adjustment shall be immediately effective from the date that the change in par value takes place for the purpose that the Warrant Holders shall obtain the same amounts of ordinary shares as the amounts calculated by the formula and of the same type as the Company's ordinary shares issued after such change.

1. The Exercise Price is adjusted in accordance with the following formula;

$$\text{Price 1} = \text{Price 0} \times \frac{[\text{Par 1}]}{[\text{Par 0}]}$$

2. The Exercise Ratio is adjusted in accordance with the following formula;

$$\text{Ratio 1} = \text{Ratio 0} \times \frac{[\text{Par 0}]}{[\text{Par 1}]}$$

Where:

Price 1 = new Exercise Price after the change
 Price 0 = existing Exercise Price before the change
 Ratio 1 = new Exercise Ratio after the change

Ratio 0 = existing Exercise Ratio before the change
 Par 1 = par value of ordinary share after the change
 Par 0 = par value of ordinary share before the change

- (b) The Company pays out all or part of dividends with its new ordinary shares to its shareholders. The adjustment to the Exercise Price and the Exercise Ratio shall be immediately effective from the first day the shareholders are exempted from the dividends share (the first day the SET posts the XD sign).

1. The Exercise Price is adjusted in accordance with the following formula;

$$\text{Price 1} = \text{Price 0} \times \frac{A1}{A1 + B1}$$

2. The Exercise Ratio is adjusted in accordance with the following formula;

$$\text{Ratio 1} = \text{Ratio 0} \times \frac{A1 + B1}{A1}$$

Where :

Price 1 = new Exercise Price after the change
 Price 0 = existing Exercise Price before the change
 Ratio 1 = new Exercise Ratio after the change
 Ratio 0 = existing Exercise Ratio before the change
 A1 = number of fully paid-up ordinary shares as at the date before the closing shareholders register book for right to receive dividend share
 B1 = number of newly issued ordinary shares for dividend shares

- (c) The Company offers its new ordinary shares to the existing shareholders and/or the public and/or the private placement at the average price per share of the newly issued shares is lower than “the market price of the Company’s ordinary shares” and the difference is larger than 10%.

The adjustment of the Exercise Price and the Exercise Ratio shall be immediately effective from the first day the shareholders are exempted from the rights to subscribe new ordinary shares (the first day the SET posts the XR sign) for the case that are offered to the existing shareholders (Right Issue) and/or the first day the new shares are offered to the public and/or the private placement, as the case may.

As mentioned case, the average price per share of newly issued ordinary share shall be compared with market price of ordinary share by using the same value of par value.

The average price per share of the newly issued ordinary shares is calculated by dividing the net amount of money the Company shall receive from the offer of the new shares deducting expenses (if any) by the total number of newly issued ordinary shares.

“The market price of the Company’s ordinary shares” is “the weighted average price of the Company’s ordinary share” is derived by dividing the total trading value by the total trading volume of the Company’s shares traded on the SET during the 7 consecutive business days (SET trading day) before the day of the calculation.

In case, where “the market price of the Company’s ordinary shares” cannot be derived because there is no trading during such period, the Company shall come up with a fair price that shall be used in the calculation.

“Calculation Date” means the first day the shareholders are exempted from the rights to subscribe new shares for the cases that the new shares are offered to the existing shareholders (Rights Issue) and/or the first day the newly issued shares are offered to the public for the case of public offering and/or the private placement offering, as the case may.

In the case that when the offer of newly issued ordinary shares at the same time offering more than one offering price, in conditions that will need to subscribe together, compute the average price of both and total number of newly issued shares to be used for calculate the average price per share of newly issued ordinary shares. But if the same offer is not subject to the conditions that must be subscribed together, compute the number of shares and offering price of newly issued ordinary shares which has the market price of the Company’s ordinary shares larger than 10% to calculate only.

1. The Exercise Price is adjusted in accordance with the following formula;

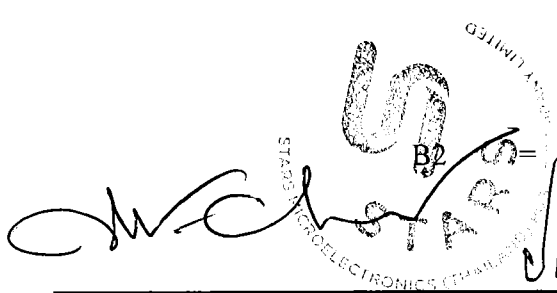
$$\text{Price 1} = \text{Price 0} \times \frac{[(A2 \times MP) + B2X]}{[MP (A2 + B2)]}$$

2. The Exercise Ratio is adjusted in accordance with the following formula;

$$\text{Ratio 1} = \text{Ratio 0} \times \frac{[MP (A2 + B2)]}{[(A2 \times MP) + B2X]}$$

Where :

- Price 1 = new Exercise Price after the change
- Price 0 = existing Exercise Price before the change
- Ratio 1 = new Exercise Ratio after the change
- Ratio 0 = existing Exercise Ratio before the change
- MP = “the market price of the Company’s ordinary shares”
- A2 = number of fully paid-up ordinary shares as at the date before the closing shareholders register book and/or before the first day of the public offering and/or the private placement offering of the new ordinary shares, as the case may.
- B2 = number of newly issued ordinary shares offered to the existing shareholders and/or the public and/or the private placement, as the case may.



B2X = money amount received from the newly issued ordinary shares minus any expenditure offered to the existing shareholders and/or the public and/or the private placement, as the case may.

- (d) The Company offers to the existing shareholders and/or the public and/or the private placement any new securities e.g. convertible debentures, warrants or convertible debts which give rights to the Securities Holders to convert to or purchase ordinary shares of the Company (hereinafter referred to as “the New Securities”) and the average price per share of the newly issued ordinary shares to accommodate the exercise of rights is lower than “the market price of the Company’s ordinary shares” and the difference is larger than 10%.

The adjustment in the Exercise Price and the Exercise Ratio shall be immediately effective from the first day the shareholders will not obtain rights to subscribe for the New Securities that are convertible or chargeable into ordinary shares or that give the rights to subscribe for the ordinary shares (the first day the SET posts the XW sign) for the cases that the New Securities is offered to the existing shareholders (Rights Issue) and/or the first day the New Securities are convertible or chargeable into ordinary shares or that give the rights to subscribe for the ordinary shares in case of public offering and/or private placement, as the case may.

The average price per share of the newly issued shares is calculated by dividing the net amount of money raised from the issuance of the New Securities plus money raised from the conversion of such securities by the total number of shares newly to be issued to accommodate the conversion.

The market price of the Company’s shares and the base par value used for comparison purpose shall have the same meaning as in c).

“Calculation Date” is the first day the shareholders are exempted from the rights to subscribe the New Securities for the cases that the new securities are offered to the existing shareholders (Rights Issue) and/or the first day the New Securities are offered to the public for the case of public offering and/or the private placement offering, as the case may.

1. The Exercise Price is adjusted in accordance with the following formula;

$$\text{Price 1} = \text{Price 0} \times \frac{[(A3 \times \text{MP}) + B3X]}{[\text{MP} (A3 + B3)]}$$

2. The Exercise Ratio is adjusted in accordance with the following formula;

$$\text{Ratio 1} = \text{Ratio 0} \times \frac{[\text{MP} (A3 + B3)]}{[(A3 \times \text{MP}) + B3X]}$$

Where:

- Price 1 = new Exercise Price after the change
 Price 0 = existing Exercise Price before the change
 Ratio 1 = new Exercise Ratio after the change

Ratio 0 = existing Exercise Ratio before the change
MP = “the market price of the Company’s ordinary shares”

A3 = number of fully paid-up ordinary shares as at the date before the closing registration book date and/or before the first day of the public offering and/or the private placement offering of the New Securities.

B3 = number of newly issued shares to accommodate the conversion of the New Securities offered to the existing shareholders and/or the public and/or the private placement, as the case may.

B3X = money amount received, net of related expenses (if any), from the issue of the New Securities offered to the existing shareholders and/or the public and/or the private placement, as the case may plus money received from the conversion.

- (e) The Company pays out cash dividend more than 80% of its net profits after tax of Separate financial statements of the Company for any fiscal period from the Warrants’ issue date until the Warrants’ expiration date.

The dividend payout ratio is calculated by dividing the actual dividends paid for each accounting period by the net profits after tax of the same accounting period. The adjustment to the Exercise Price and the Exercise Ratio shall be immediately effective from the first day the shareholders are exempted from the rights in the dividends (the first day the SET posts the XD sign).

The market price of the Company’s ordinary shares and the base par value used for comparison purpose shall have the same meanings as in (c).

“Calculation Date” is the first day the shareholders are exempted from the dividends.

1. The Exercise Price is adjusted in accordance with the following formula;

$$\text{Price 1} = \text{Price 0} \times \frac{[\text{MP} - (\text{D} - \text{R})]}{[\text{MP}]}$$

2. The Exercise Ratio is adjusted in accordance with the following formula;

$$\text{Ratio 1} = \text{Ratio 0} \times \frac{[\text{MP}]}{[\text{MP} - (\text{D} - \text{R})]}$$

Where :

Price 1 =
Price 0 =
Ratio 1 =
Ratio 0 =
MP =

new Exercise Price after the change
existing Exercise Price before the change
new Exercise Ratio after the change
existing Exercise Ratio before the change
“the market price of the Company’s ordinary shares”

- D = dividends per share paid to the shareholders
 R = dividends per share that will be paid at the rate of 80% if taking into the calculation the net profit after tax and the total number of shares eligible for dividends.

(f) If there are any events not mentioned in (a) through (e) that cause the Warrant Holders to lose their rights and benefits, the Company shall determine the fair Exercise Price and/or the Exercise Ratio, which shall not lessen the Warrant Holders' benefits.

1.4.2 The Company shall not extend the term of warrant and adjust the Exercise Price and the Exercise Ratio except adjustment as stated in Clause 1.4.1.

1.4.3 The calculation of the adjustment to the Exercise Price and the Exercise Ratio in accordance with (a) through (f) are independent with each other and shall be calculated in order compared to the market price of the Company's ordinary shares. In cases where these events simultaneously occur, the calculation shall be conducted in the ascending order from (a) -> (e) -> (b) -> (c) -> (d) and (f) which the decimals for the Exercise Price and the Exercise Ratio shall be maintained at 3 (three) decimals for each calculation.

1.4.4 The calculation of the adjustment to the Exercise Price and the Exercise Ratio in accordance with (a) through (f) shall not cause the increase of the Exercise Price and/or decrease of the Exercise Ratio, except in the case of the share consolidation. In cases where the number of shares corresponding to the exercise of the Warrants for each Notification of Intention to Exercise (in 3 (three) decimals for the new Exercise Ratio after adjustment) is a fraction of share, such fraction shall be deleted. If the calculated Exercise Price after adjustment (in 3 (three) decimals) when multiplied by the number of the Warrants for each Notification of Intention to Exercise is a fraction of Baht, such fraction shall be deleted without any reimbursements.

1.4.5 In case of the adjustment of the Exercise Price, which will be made a new Exercise Price below par value of the ordinary shares of the Company, it shall be used as the new Exercise Price. In case that the regulation is not allowing the Company issued ordinary shares below the par value, it shall be used the par value of the Company as a new Exercise Price.

1.4.6 The Company might adjust the Exercise Price together with the issuance of the new warrants to compensate for the amendment of the Exercise Ratio. If the Company shall issue additional the Company's ordinary shares, the Company shall deliver the approved resolution of the Shareholder Meeting to issue additional the Company's ordinary shares which enough for adjustment to the SEC before adjustment, so that the Company will be allowed to offering reserved shares.

1.5 Notification of the Adjustment of the Exercise Price, the Exercise Ratio or the Terms

The Company shall notify the adjustment of the Exercise Price and the Exercise Ratio in concordance with conditions of exercise as mentioned in Clause 1.4.1 (a) through (f) and the adjustment of the Terms according with the following processes;

- 1) The Company shall immediately notify such adjustment to the Warrant Holders of acknowledgement through the SET's electronic system (SETLink) or prior the effective date of the adjustment of the Exercise Price and Exercise Ratio.

- 2) The Company shall notify the adjustment including the calculation methods and the adjustment reasons to the SEC for notification of the new Exercise Price, the new Exercise Ratio and the new Terms together with the shorten fact of cause of the right adjustment, the calculation methods and the date of such adjustment within 15 days from the date of adjustment cause of the new Exercise Price and the new Exercise Ratio or the new Terms.

1.6 Status of the Warrants during the Warrant Holders notify intention to exercise

The status of the Warrants during the date of the Warrant Holders notify their intention to exercise and the day before the Ministry of Commerce accepts the registration of increase of the paid-up capital due to the exercise of the Warrants shall be the same and have the same rights as the Warrants that have not been notified the intention to exercise. And the status shall expire on the date the Ministry of Commerce accepts the registration of increase in the paid-up capital due to the exercise of the Warrants above.

If the Exercise Price and/or the Exercise Ratio are adjusted retroactively, the Company shall issue additional new ordinary shares to the eligible Warrant Holders as soon as possible. In case where the adjusted Exercise Price is effective, the additional new ordinary shares shall be distributed to the eligible Warrant Holders later than the ordinary shares previously obtained but not later than 15 business days from the day of adjustment in case of Scrip System or not later than 7 business days from the day of adjustment in case of Scripless System.

1.7 Status of the new ordinary shares derived from the exercise of the Warrants

The new ordinary shares derived from the exercise of the Warrants shall have the same rights and benefits as the existing issued and fully paid-up ordinary shares in every respect when their name appears on the Company's shareholders register book and the Ministry of Commerce accepts the registration of the increase of the Company's paid-up capital.

1.8 Compensation in case where the Company cannot arrange to have enough shares to accommodate the exercise of the Warrants.

The Company shall compensate the Warrant Holders in accordance with the following details;

- 1.8.1 The Company shall compensate only to the Warrant Holders who notify their intention to exercise within each Exercise Date which the Company cannot provide ordinary shares to accommodate the exercise of their warrants.
- 1.8.2 The compensation as mentioned in Clause 1.8.1, the Company shall make by account payable only cheque and send by registered mail within 14 business days from each Exercise Date.
- 1.8.3 The calculation of the loss that the Company agrees to compensate the Warrant Holders pursuant to Clause 1.8.1 is conducted in the following formula;

$$\text{Loss per 1 Unit of Warrant} = B \times [MP - \text{Price}]$$

Where :

B

= the number of ordinary shares which cannot be arranged and/or increased in accordance with the Exercise Ratio that is increase per 1 unit.

MP

= the market price per share of the Company's ordinary shares is fixed to be equal to the weighted average price of the Company's share that means the total trading value of the Company's shares divided by the total number of the Company's share being traded in the SET for 7 consecutive business days before the each Exercise Date.

Price = the Exercise Price or the Exercise Price complied with the conditions of adjustment of the Exercise Price and/or Exercise Ratio as mentioned in Clause 1.4.

1.9 The Secondary Market of the Warrants

The Company shall submit an application to the SET for the Warrants representing right to purchase the Company's ordinary shares to list as securities on the SET within 45 days from the expiration date of the offering.

1.10 Shareholders Meeting's resolution to Issue New Shares to Accommodate the Exercise of the Warrants

The Annual General Meeting of shareholders for fiscal year 2021, held on 27 April 2021 had resolution to increase the registered capital of the Company from 836,479,381 Baht to 1,062,599,227 Baht by issuing new ordinary shares of 226,119,846 shares, at the par value of 1.00 Baht per share, and to reserve not exceeding 209,119,846 shares for the exercising of SMT-W3 which offered to existing shareholders of the Company.

1.11 Number of Accommodated Shares including Number of Shares Allocated for other Purposes

1.11.1 The number of ordinary shares issued to accommodate the exercise of the Warrants to purchase ordinary share of the Company

The 209,119,366 shares being 100% of the total offer of Warrants to allot to the existing shareholders of the Company No. 3 (SMT-W3) or being 25.00% of the total paid-up shares of the Company of 836,479,381 shares as on 2 June 2021.

1.11.2 The number of shares allocated for other purposes

The amount of not exceeding 17,000,000 shares for exercising of the warrants to purchase newly issued ordinary shares of the Company No.3 (SMT-WC) which offered to directors and/or employees of the Company.

1.12 Details of Shares Reserved for the Warrants

1.12.1 Details of Shares

Number of Shares Reserved : 209,119,366 shares
for the Exercise of the Warrants

Par Value : 1.00 Baht per share

Exercise Price : 4.00 Baht per share

% of the Accommodated Shares : 25.00% of the total paid-up shares of the Company of 836,479,381 shares as on 2 June 2021

1.12.2 Procedures to be taken in case that there are remaining shares left after the exercise

In case, if the shares have left after the exercise of the Warrants, the Company shall reduce the registered capital by cancelling all remaining ordinary shares.

1.12.3 Transfer Limitations

- None

1.13 Issuance and Delivery of New Ordinary Shares

The exercise of Warrants to purchase the Company's ordinary shares, the Warrant Holders can choose to operate under the following conditions:

- 1) In the event the Warrant Holders state their intention to deposit their ordinary shares received from the exercise of warrant in the account of securities companies which the Warrant Holders are customers.

Registrar of the Company will proceed to deposit those shares in "Thailand Securities Depository Company Limited for Depositors" and TSD will record the deposit of those particular shares into the account of those securities companies, while the securities companies will record the newly issued shares in the Warrant Holders' account and provide the document regarding the receiving of those shares to the Warrant Holders within 7 days after the end of each exercise period. In this case, the Warrant Holders will be able to sell their ordinary shares received from the exercise of warrants after the approval for newly issued shares to be traded in the SET.

In case the Warrant Holders who choose this alternative must have the account with the securities companies by the same name as specified in the Warrant Certificates, otherwise, the Company will proceed to issue Ordinary Share Certificates to the Warrant Holders according to the alternative 3) instead.

- 2) In the event the Warrant Holders state their intention to deposit their ordinary shares received from the exercise of warrant in the account no. 600 of the securities issuer.

Registrar of the Company will proceed to deposit those shares with TSD and TSD will record the deposit of those particular shares in the securities issuer account no. 600 and provide the document regarding the receiving of those shares to the Warrant Holders within 7 days after the end of each exercise period. In this case, the Warrant Holders who will sell the newly issued ordinary shares must withdraw the shares from the account no. 600 of the securities issuer through the securities companies (maybe subject to the fees of TSD and/or securities companies). Therefore, the Warrant Holders who will sell the newly issued ordinary shares from the exercise of warrants will be able to sell their ordinary shares after the approval for newly issued shares to be traded in the SET and already withdraw their ordinary shares from the securities issuer account no. 600.

- 3) In the event the Warrant Holders state their intention to receive Share Certificates in their own names.

Registrar of the Company will deliver the Share Certificates in the amount as exercised via registered mail to the Warrant Holders according to the address stated in warrant registration book within 15 days after the end of each exercise period. In this case, the Warrant Holders who exercise their warrant will not be able to sell their ordinary shares received from the exercise in the SET until they receive the Share Certificates, which may receive later than the approval for newly issued shares to be traded in the SET.

1.14 The Secondary Market of Ordinary Shares from the Exercise of the Warrants

The Company shall submit the ordinary shares from the exercise of the Warrants to trade in the SET within 30 days from the Exercise Date.

1.15 Procedures to be taken in the Case that there is not any secondary market for ordinary share from Exercise the Warrants

The ordinary shares of the Company are the listed securities in the SET. Therefore, the newly issued ordinary shares from exercise of right of warrants would be traded in the SET after the Company has proceeded to register the mentioned new ordinary shares to the SET.

2. Transfer Limitations of the Warrants

The Company has no restrictions of Warrants transfer which offered to existing shareholders, except the transfer happened at the last Exercise Date which the Company will close the Warrants register book to suspend the transfer of Warrants for 21 days prior to the last Exercise Date, and the SET will post the “SP” sign (“Suspended”) for 2 business days prior the register book closing date (in case the date of closed the register book fall on the SET’s holiday then it shall be moved to the last business day prior to such date).

3. Causes, Conditions and Processes for Amending the Terms

3.1 Causes for Amending the Terms

The Company may proceed to amend the Terms when there are causes or discovers that there will be causes that create barriers for operation as stated below:

- 1) The amendment of Terms to be in accordance with the law or regulation as stipulated in law governing the Securities and Exchange or other relevant law, regulations or Articles or valid general orders or Notifications of the Office of the SEC.
- 2) The amendment of the Terms that will affect the rights not material for the Warrant Holders, such as amendment of procedures for exercising the right that are not material points, or matters that will be useful for Warrant Holders and not clearly affecting the benefits of shareholders.
- 3) In case there are other situations that the Company considers that they may affect the interest of Warrant Holders, or the Company’s ability to perform its duties according to the Terms, which requires the prior resolution of Warrant Holders and shareholders.

The Warrant Holders do not have right to propose for the amendment of the Terms in material points to be different from the prior resolution of shareholders’ meeting, except after receiving prior approval from the shareholders’ meeting to propose the amendment of the Terms.

3.2 Conditions for Amending the Terms

- 1) The Company may proceed to amend the Terms if the Company’s Board of Directors has considered and viewed that they are in the limit that the Company can process in order to reduce limitations or barriers for operation according to the stipulated conditions or regulations without decreasing the rights of Warrant Holders.
- 2) The amendment of Terms must not be against or contradict to the Notification Tor. Jor. 34/2551, which is currently enforceable, and may have amendment later.
- 3) The amendment of Terms must not be the extension of the term of Warrants or change of the Exercise Ratio and the Exercise Price except for the change of the Right Adjustment Conditions as stipulated in Clause 1.4.

3.3 Processes or Procedures for Amending the Terms

The Company will hold the Warrant Holders' Meeting to request for resolution to amend the Terms prior to processing the amendment of Terms, by having the following procedures:

Call for Warrant Holders' Meeting

- 1) The Company has right to call for Warrant Holders' Meeting at any time to amend the Terms or not less than 25 Warrant Holders which holds the warrant all together not less than 25% of total amount of outstanding warrant may join together and submit a letter to the Company to call for Warrant Holders' Meeting, by stating clear reasons to call for the Meeting in the mentioned letter. The Company will process to call for Warrant Holders' Meeting within 30 days from the date the mentioned Warrant Holders have the written request to the Company to call for Warrant Holders' Meeting.
- 2) Either the Warrant Holders' Meeting is convened by Warrant Holders or by the Company's Board of Directors has the resolution to call for Meeting, the Company will prepare the letter calling for Meeting by stating date, time, place, names of persons requesting for the Meeting and Meeting agenda. The letter will be sent to each warrant holder whose name and address is listed in the warrant register book on the closing date not less than 7 days prior to the Meeting Date.
- 3) During the Warrant Holders' Meeting, the Warrant Holders who have right to attend the Meeting and vote can give a proxy to other persons to attend the Meeting and vote on their behalf, which the mentioned Warrant Holders must submit the letter of proxy to the Chairman of the Meeting or the person assigned by the Chairman of the Meeting prior to commencing the Meeting.

Quorum of Warrant Holders' Meeting

- 4) For the Warrant Holders' Meeting, it must comprise of Warrant Holders and/or the proxies for not less than 25 persons to attend the Meeting, and holding warrants altogether for not less than 25% of total amount of outstanding warrant, to be complete for quorum.
- 5) In case it is happened that in any Meeting when the appointment time has been passed for 45 minutes, but the number of Warrant Holders is not complete for quorum, it is considered that the Meeting will be cancelled. If the Warrant Holders' Meeting is called by the resolution of the Company's Board of Directors, the new Meeting appointment will be done within 30 days from the set date of the first Meeting. The Company will process to send letter calling for the new Meeting to Warrant Holders not less than 7 days prior to the Meeting Date. And in the latter Meeting, it is not enforceable that the quorum is complete. In case the Warrant Holders request to call for the Meeting, the new Meeting will not be called.

Chairman of the Meeting

- 6) For the Warrant Holders' Meeting arranged by the Company, the Chairman of the Company or the person assigned by the Chairman of the Company will be the chairman of the Warrant Holders' Meeting. In case the Warrant Holders arrange the Meeting, the chairman of the Meeting might come from the person selected from the resolution of Warrant Holders apart from the Chairman of the Company or person assigned by the

Chairman of the Company. For both cases, the chairman of the Meeting does not have the right to vote for final decision.

Votes

- 7) For the votes, the Warrant Holders have equal votes to the units of warrants they hold. One unit of warrant has one vote. The chairman of the Meeting does not have additional right to vote apart from his/her right as the Warrant Holders.
- 8) Warrant Holders who have interests in any agenda that the Meeting will consider and vote. They do not have right to vote for such agenda.

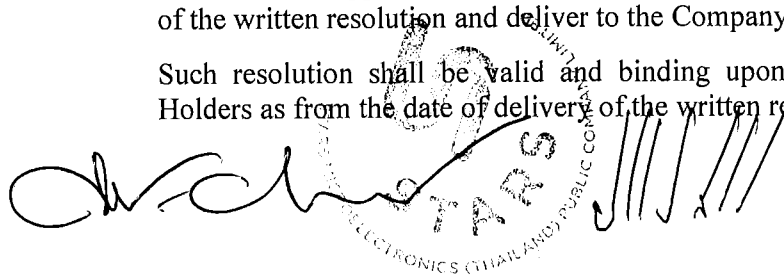
Resolutions of the Meeting

- 9) The resolution of Warrant Holders' Meeting must comprise of votes of not less than 50% of total amount of unexercised warrant held by Warrant Holders who attend the Meeting and have voting right.
- 10) For any resolutions passed by the Warrant Holders' Meeting, it is considered that such resolutions with bind all Warrant Holders, whether such Warrant Holders have attended the Meeting or not.

Others

- 11) The Company will prepare and record all minutes of Meetings, no matter if they are called by the Company or Warrant Holders, and will keep the mentioned minutes of Meetings at the Company's head office. The minutes of Meeting that has chairman's signature is considered complete evidence for all businesses discussed in the Meeting, and is considered that the Meeting and resolutions have been done accurately.
- 12) During the Warrant Holders' Meeting, the Company, or person assigned by the Company, and the Company's legal advisor has right to attend the Meeting to advise or provide explanations to the Warrant Holders' Meeting.
- 13) The Company will amend the Terms according to the Warrant Holders' Meeting within 3 business days from the Warrant Holders' Meeting Date for resolution, and the Company will inform the amendment of Terms in writing to the SEC within 15 days from the Meeting Date. The Company will immediately inform the Warrant Holders and SET through the SET's electronic system (SETLink) on the Warrant Holders' Meeting date.
- 14) The Company will pay all expenditures related to the arrangement of Warrant Holders' Meeting.
- 15) For any resolution relating to the Warrant Holders' Meeting, the Warrant Holders may make an agreement in writing instead of having a meeting; provided that the Warrant Holders holding the Warrants in aggregate of not less than one-second of the outstanding warrants must approve such resolution and sign their names as evidence in the original(s) of the written resolution and deliver to the Company to maintain.

Such resolution shall be valid and binding upon the Company and all the Warrant Holders as from the date of delivery of the written resolution to the Company.





4. Enforcement of the Terms and the Governing Laws

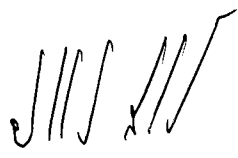
The Terms shall be enforced from the warrant issuance date until the last Exercise Date. The Terms shall be interpreted and governed by the laws of Thailand. If any provisions of any Clauses in the Terms that are in conflict with the rules and regulations relevant to warrants, the provisions of such the rules and regulations shall supersede only the parts of this Terms that are contradictory to or in conflict with them. The Company certifies that it complies with the details and conditions by the Terms and has signed as evidence;

Warrant Issuer

Stars Microelectronics (Thailand) Public Company Limited


(.....)

(Mr. Prompong Chaikul)
Chairman of the Executive Committee
/ Director


(.....)

(Mr. Yunyong Sawasdi)
Director