

No. CC20170505ELE

May 12, 2017

Subject Report of the Resolutions of Board of Directors' Meeting No.2/2017, the scheduling of the Extraordinary General Meeting of Shareholders No. 1/2017 and the entering into the transaction of acquisition and disposal of assets and the connected transaction

To President
The Stock Exchange of Thailand

Enclosure Information Memorandum on the Acquisition and Disposal of Assets and Connected Transaction

The Board of Directors of Cal-Comp Electronics (Thailand) Public Company Limited (the "**Company**") No.2/2017 was held on May 12, 2017 at 10:00 hours. The Company would like to inform the keys resolutions as follows:

- 1.1 Approved to propose to the shareholders' meeting of the Company to consider and approve that Cal-Comp Technology (Philippines) Inc. ("**CCPH**") (the Company's subsidiary in which the Company directly holds 100% of the total issued shares) to buy all of the issued shares of Kinpo Electronics (Philippines) Inc. ("**KPPH**") from the shareholders of KPPH (i.e., Kinpo Electronics Inc. and/or its subsidiary Kinpo International (Singapore) Pte. Ltd. (collectively known as "**Kinpo Group**")) (the "**Transaction**"). CCPH will buy KPPH shares from Kinpo Group of not more than 49,260,075 shares with a par value of PHP 100 or equivalent to THB 69.57 (according to the exchange rate at PHP/Baht = 0.6957 pursuant to the announcement of the Bank of Thailand on March 31, 2017) per share at a price of not more than PHP 18.181818 or equivalent to THB 12.65 per share with the total value not more than PHP 895,637,700 or equivalent to THB 623,095,147.89, based on the CCPH's and KPPH's book value as at March 31, 2017 as well as the financial projections. For the exact measurement, CCPH has appointed an independent assessor to do the assessment which is expected to receive the report by end of May 2017. In this regard, the Company authorizes a director that has no conflict of interest in this matter or a design by him to finalize the share price of KPPH and the total value shall not more than PHP 895,637,700 or equivalent to THB 623,095,147.89.

As a consideration, CCPH will make a payment for all of the issued shares of KPPH with the newly issued shares of CCPH in the number of not more than 8,956,377 shares with a par value of PHP 100 or equivalent to THB 69.57 per share at the offering price PHP 100 per share. The swap ratio equals to 5.5 shares of KPPH per not more than 1 new share of CCPH. As a result of the Transaction, the Company and Kinpo Group shall hold the shares in CCPH at 19.19% and 80.81% of the total issued shares (after the increase of capital) respectively.

The Transaction is considered as an acquisition of assets in considers CCPH to acquire the KPPH's shareholding as in whole; however, since the Company's shareholding in CCPH has diluted from 100% to 19.19% after the Transaction, therefore the Transaction is finally concluded as the disposition of assets at post-transaction according to the Notification of the Capital Market Supervisory Board stated in TorJor 20/2551 Re: Rules on the Significant Acquisition or Disposal of Assets and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Company Concerning Acquisition or Disposal of Assets B.E. 2547 ("**Acquisition and Disposal Notifications**"). In addition, the Transaction is also deemed as a connected transaction pursuant to the Notification of the

Capital Market Supervisory Board stated in TorJor 21/2551 Re: Rules on Connected Transactions and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Company Concerning Connected Transaction B.E. 2546 ("**Connected Transaction Notifications**"), including other related notifications.

According to the size of the Transaction prescribed in the Acquisition and Disposal of Assets Notifications and the Connected Transactions Notifications, the Company is consequently obliged to submit and disclose the information related to this Transaction to the Stock Exchange of Thailand ("**SET**") and shall require the approval from the shareholders' meeting of the Company, along with the appointment of an Independent Financial Advisor ("**IFA**") for entering into such Transaction and other related transactions.

Details of the Transaction are set out Information Memorandum regarding Acquisition and Disposal of Assets and Connected Transaction as Attachment 1.

- 1.2 Approved the resolution of the increase of registered capital of CCPH, the Company's subsidiary in which the Company directly holds 100% of the total issued shares, from the current paid-up capital of PHP 212,712,000 or equivalent to THB 147,983,738.4 to PHP 1,108,349,700 or equivalent to THB 771,078,886.29 by issuing the new 8,956,377 shares at the value of PHP 100 or equivalent to THB 69.57 per share.

According to the Philippines law, the newly issued shares will be offered to the existing shareholders in proportion to their rights. However, the Company will waive its right to subscribe CCPH's rights issue for the shareholders of KPPH as per the Transaction.

Nevertheless, the waiver of subscription in CCPH is considered as an disposal as specified in the Acquisition and Disposal of Assets Notifications, as well as, the sale or transfer of the important parts of the business of the Company to other persons pursuant to Section 107 (2)(a) of the Public Limited Companies Act B.E. 2535 (1992) (as amended) with the value equal to **4.99%** as total value of consideration referred from financial statement of the Company and subsidiaries as of March 31, 2017. In addition, **when considering the disposal of the asset in the past 12 months of net profit criteria, the size of transaction would be equal to 10.28%**, thus, such disposal would be required to report to the SET as specified in the Acquisition or Disposal Notification, details of which are set out Information Memorandum regarding Acquisition and Disposal of Assets and Connected Transaction as Attachment 1.

Mr. Hsu, Sheng-Hsiung, Mr. Hsu, Sheng-Chieh, Mr. Shen, Shyh-Yong, Mr. Khongsit Choukitcharoen and Mr. Pan, Hung-Shen having conflict of interest did not attend the meeting and has no voting right to vote for the matters.

2. Approved the related parties transaction as the following transaction:

- 2.1 The transaction between the Company and/or its subsidiary with Kinpo Electronics Inc. ("Kinpo") and/or its subsidiary as the following details:

- 2.1.1 Fixed asset disposal transactions

- 2.1.1.1 1st transaction

Partners of Contract	Seller: Cal-Comp Electronics (Thailand) PCL. ("CCET") Buyer: Kinpo International Ltd. ("KPI")
Type of fixed asset	5 sets of fixtures, 1 set of Conveyor line for Assembly

	and 60 sets of pallets
	Average 4 years of lifetime and 0.30 of used years
Transaction date	January 2017
Transaction amount	USD 428,264 approximately Baht 14,938,662.02
Pricing policy	Near Book Value and near market value
Payment term	By cash with 180 days of credit term
The reason	To reduce the idle equipments in order to create maximum benefits for the Company and its subsidiary, CCET sold the old equipments to Kinpo International Ltd. ("KPI")

2nd transaction

Partners of Contract	Seller: Cal Comp (Malaysia) SDN. BHD. ("CCMY") Buyer: Kinpo Electronics (China) Co. Ltd.. ("Kinpo China")
Type of fixed asset	1 set of ICT Tester 8 years of lifetime and 4.9 of used years
Transaction date	March 2017
Transaction amount	USD 44,861 approximately Baht 1,564,836.92
Pricing policy	At Book Value and near market value
Payment term	By cash with 60 days of credit term
The reason	For CCMY to reduce idle equipments in order to create maximum benefits for the Company and its subsidiary, CCMY sold the old equipments to Kinpo China.

Total size of disposal on fixed asset for related party transaction criteria

Included 2 transactions of the Company and/or its subsidiary with Kinpo International Ltd. ("KPI"), and Kinpo Electronics (China) Co., Ltd. ("Kinpo China"), the total transaction size is Baht 16,503,498.94 which is accounted to 0.09% of NTA as March 31, 2017 and the size of which is equivalent to 0.0307% under the total value of consideration criteria.

Details of related person of the Company and/or its subsidiary with Kinpo Electronics Inc. and/or its subsidiary

-Name of related person:	Kinpo International Ltd. ("KPI")
-Relationship :	Kinpo International Ltd. ("KPI") is subsidiary of Kinpo Electronics Inc. and Kinpo Electronics Inc. is holding 40.41% in CCET and also has sent 3 people to be the director in the Company: Mr. Hsu, Sheng-Hsiung, Mr. Shen, Shyh-Yong, and Mr. Hsu, Sheng-Chieh.
-Name of related person:	Kinpo Electronics (China) Co., Ltd. ("Kinpo China")
-Relationship :	Kinpo Electronics (China) Co., Ltd. ("Kinpo China") is Subsidiary of Kinpo Electronics Inc. and Kinpo Electronics Inc. is holding 40.41% in CCET and also has sent 3 people to be the director in the Company: Mr. Hsu, Sheng-Hsiung, Mr. Shen, Shyh-Yong, and Mr. Hsu, Sheng-Chieh.

The directors who have conflict of interest did not join and vote for this agenda.

Opinion of the Board of director and Audit Committee

The connected transactions of the Company are reasonable in the normal course of business due to all transactions are taking to supporting the business operation and also the terms and conditions are satisfied.

Total size of related party transactions during the past six-month periods

Overall, total size of related party transactions between the Company and/or its subsidiaries with Kinpo Electronics Inc. and/or its subsidiaries is at Baht 262,268,559.99 which is accounted to 0.72% of NTA during the past six-month periods.

Note: Exchange Rate

USD/Baht = 34.8819

3. The Board of Directors had approved the date of the Extraordinary General Meeting of Shareholders No. 1/2017 to consider the following agenda:
 - 1) To certify the Minutes of the Annual General Shareholders' Meeting No. 1/2017.
 - 2) To consider and approve the connected transaction and the acquisition and disposal of assets in respect of the acquisition of Kinpo Electronics (Philippines) Inc.'s shares by Company's subsidiary and a waiver of the Company's rights issue in Cal-Comp Technology (Philippines) Inc.
 - 3) To consider any other business (if any).

The Board of Directors had also approved the Record Date on June 13, 2017 and collects the names of shareholders as stipulated in the Securities and Exchange Act B.E. 2535, Section 225, by closing the share registration book on June 14, 2017 in order to determine the shareholders' entitlement to attend the Extraordinary General Meeting of Shareholders No. 1/2017.

The Extraordinary General Meeting of Shareholders No. 1/2017 shall be held on August 10, 2017 at 08.30 a.m. at Samut Sakhon Factory, the Conference Room of R&D Building 5th Floor, 60 Moo 8, Sethakij Road, Tambon Klong Maduea, Amphoe Krathum Baen, Samut Sakhon, Thailand to consider the above agendas.

Please be informed accordingly.

Sincerely yours,

Mr. Khongsit Choukitcharoen
Managing Director

Information Memorandum

Regarding the Acquisition and Disposal of Assets and Connected Transaction

The Board of Directors meeting of Cal-Comp Electronics (Thailand) Company Limited (“**CCET**” or “**Company**”) No. 2/2017 held on May 12, 2017 has resolved to approve the acquisition by the Company’s subsidiary, Cal-Comp Technology (Philippines) Inc. (“**CCPH**”), of all of the issued shares of Kinpo Electronics (Philippines) Inc. (“**KPPH**”) from the shareholders of KPPH (i.e., Kinpo Electronics Inc. and/or its subsidiary Kinpo International (Singapore) Pte. Ltd. (collectively known as “**Kinpo Group**”) (the “**Transaction**”).

Under the Transaction, CCPH will buy all of KPPH shares from Kinpo Group of not more than 49,260,075 shares with a par value of PHP 100 or equivalent to THB 69.57 (according to the exchange rate at PHP/Baht = 0.6957 pursuant to the announcement of the Bank of Thailand on March 31, 2017) per share at a price of not more than PHP 18.181818 or equivalent to THB 12.65 per share with the total value not more than PHP 895,637,700 or equivalent to THB 623,095,147.89. As a consideration, CCPH will make a payment for all of the issued shares of KPPH with the newly issued shares of CCPH in the number of not more than 8,956,377 shares with a par value of PHP 100 or equivalent to THB 69.57 per share at the offering price PHP 100 or equivalent to THB 69.57 per share. The swap ratio equals to 5.5 shares of KPPH per not more than 1 new share of CCPH. As a result of the Transaction, the Company and Kinpo Group shall hold the shares in CCPH at 19.19% and 80.81% of the total issued shares (after the increase of capital) respectively.

The Transaction is considered as an acquisition of assets in considers CCPH to acquire the KPPH’s shareholding as in whole; however, since the Company’s shareholding in CCPH has diluted from 100% to 19.19% after the Transaction, therefore the Transaction is finally concluded as the disposition of assets at post-transaction according to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets B.E. 2547 (2004) (as amended) (“**Acquisition and Disposal Notifications**”). When considering the transaction size pursuant to the Acquisition or Disposal Notification, the size of the above Transaction is of the highest value when calculated from 12-month period net profit criteria consideration, based on the latest reviewed consolidated financial statement ended March 31, 2017, which equals to 10.28%.

In addition, when aggregating the above Transaction with other transactions entered into by the Company in the past 12 months, the cumulative transaction size together with the previous disposition during the past 12 months was equivalent 10.28% calculated based on Net Profit of Consideration (2.83% calculated based on Total Value of Consideration or 4.99% calculated based on Asset Value) which is less than 15% and classified as Class 3 Transaction under the Acquisition or Disposal Notification.

Further, the Transaction will constitute as a connected transactions pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) (as amended) (“**Connected Transaction Notifications**”) since Kinpo Group is the major shareholder of the Company, holding 47.02% of the total issued shares in the Company as at March 16, 2017. The total size of the Transaction shall be at 14.75% of the Company’s net tangible assets based on the Company’s latest reviewed consolidated financial statement ended March 31, 2017, which is more than Baht 20 million and/or 3.00% of the Company’s net tangible assets pursuant to the Connected Transaction Notifications.

Therefore, the Company is required to undertake the following: (1) to disclose the Information Memorandum of the Transaction as detailed in Attachment 1 in accordance with the Acquisition and Disposal Notifications and the Connected Transaction Notifications; (2) to arrange shareholders’ meeting of the Company for shareholders’ approval for entering into the Transaction with a vote of not less than three-fourths of the votes of the shareholders attending such meeting and having the right to vote, excluding the votes cast by the shareholders whom have a conflict of interest in the matter; and (3) to appoint an independent financial advisor (IFA) whose name shall be in the list of financial advisors approved by the Office of the Securities and Exchange Commission (the “**SEC Office**”), to render opinions to the Company’s shareholders in relation to reasonableness of the connected transaction and fairness of valuation and conditions of the Transaction for shareholders’ approval including submit such opinion to the SEC Office and the Stock Exchange of Thailand (the “**SET**”) for consideration.

Details on the Transaction are as the following:

1. Transaction Date

The Company will enter into the Transaction after that the Extraordinary General Meeting of the Shareholders of the Company No. 1/2017 which will be held on August 10, 2017. The Transaction is expected to be completed within Q1/2018 [by issuance of new CCPH ordinary shares for the share exchange and is expected to be completed within Q3/2018 for the new CCPH shareholder structure by officially transferred the KPPH’s assets, liabilities, and equity as a whole to CCPH subject to the acquisition and disposition procedures through the relevant authorities in the Philippines.](#)

2. Parties Involved and Relationship With the Company

Buyer	: Cal-Comp Technology (Philippines) Inc. (“ CCPH ”)
Seller	: Kinpo Electronics Inc. and/or its subsidiary Kinpo International (Singapore) Pte. Ltd. (collectively known as “ Kinpo Group ”)
Relationship with the Company	: Kinpo Group is a major shareholder of CCET holding total 47.02% of CCET’s total issued and paid-up capital as at March 16, 2017. Furthermore, the Company and Kinpo Electronics

Inc. have mutual directors, namely, Mr. Hsu, Sheng-Hsiung, Mr. Hsu, Sheng-Chieh, and Mr. Shen-Shyh-Yong.

3. General Characteristic of the Transaction and Value of transaction

The Company's subsidiary, i.e. CCPH, will acquire all of issued shares of KPPH, a wholly-owned subsidiary directly and indirectly by Kinpo Group, of not more than 49,260,075 shares with a par value of PHP 100 or equivalent to THB 69.57 per share at a price of not more than PHP 18.181818 or equivalent to THB 12.65 per share with the total value not more than PHP 895,637,700 or equivalent to THB 623,095,147.89, based on CCPH's and KPPH's book value as at March 31, 2017 which were PHP 431 or equivalent to THB 299.85 per share and PHP 100 or equivalent to THB 69.57 per share respectively together with reviewing of both CCPH's and KPPH's five year financial projections as well as using both the Discounted cash flow ("DCF") and Guideline public company method ("GPCM") when determine the fairness of valuation is reasonable to be between 1 : 5.44 and 1 : 5.92 (details as shown in attachment 1), therefore, the Company believes it is rationale to conclude the exchange ratio shall be derived from the current book value as at March 31, 2017 with a premium of 27.6% or equivalent to additional of 1.19 shares from the difference of Book Value Ratio (1 : 4.31 shares) and negotiated Exchange Ratio (1 : 5.5 shares) consideration. In this regard, the Company authorizes a director that has no conflict of interest in this matter or a designee by the him to finalize the share price of KPPH and the total value shall not more than PHP 895,637,700 or equivalent to THB 623,095,147.89.

					Unit: PHP/share
	Par Value	Book Value	BV ratio	Exchange Ratio	Offering Price
CCPH	100	431	1 : 4.31	1 : 5.5 (1 common share of CCPH in exchange for 5.5 common shares of KPPH)	100
KPPH	100	100			18.181818

* based on Q1/2017 financial statement of CCPH and Q1/2017 management account of KPPH

					Unit: THB/share
	Par Value	Book Value	BV ratio	Exchange Ratio	Offering Price
CCPH	69.57	299.85	1 : 4.31	1 : 5.5 (1 common share of CCPH in exchange for 5.5 common shares of KPPH)	69.57
KPPH	69.57	69.57			12.67

* according to the exchange rate at PHP/THB = 0.6957 pursuant to the announcement of the Bank of Thailand on March 31, 2017.

As a consideration, CCPH will make a payment for all of the issued shares of KPPH with the newly issued shares of CCPH in the number of not more than 8,956,377 shares with a par value of PHP 100 or equivalent to THB 69.57 per share at the offering price PHP 100 or equivalent to THB 69.57 per share. The swap ratio equals to 5.5 shares of KPPH per not more than 1 new share of CCPH. As a result of the Transaction, the Company and Kinpo Group shall hold the shares in CCPH at 19.19% and 80.81% of the total issued shares (after the increase of capital) respectively.

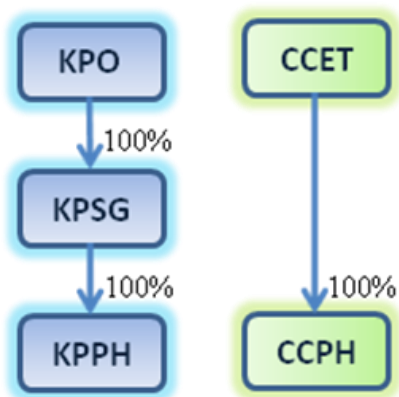
In additional, the Company and Kinpo Group have agreed certain conditions precedents before enter the Transaction in regards of risk managements in conflict of interests, and the key terms are as follows:

	Condition Precedents
1)	<p>Undertaking that after the Transaction, Kinpo and the Company agreed on the following condition precedent for the merged CCPH;</p> <p>a) Chairman or chairperson nominated by Kinpo Group shall have agreed that in case of tied votes in any agenda in the board of directors' meeting after the merger, the Board of CCPH shall during their first board meeting appoint "chairman or chairperson of the audit committee" to act as a chairman or chairperson of the said board meeting who will be entitled to the casting vote and to resolve the tied votes. In the case of absence of the chairman or chairperson of the audit committee, the Board shall appoint one of the independent directors to act as the chairman of the meeting who will be entitled to have casting vote and resolve the tied votes accordingly.</p> <p>b) to follow any resolution or advice given by audit committee</p>
2)	<p>Undertaking that potential or any new business derived or to be derived in Philippines shall exclusively be under the operation of the merged CCPH's and/or its subsidiary, and any future business expansion outside Philippines shall be subject to any discussion between the Company and Kinpo Group based on the circumstance that either the Company or Kinpo Group is more appropriate to first pursue such expansion at the time the business deal taken into effect subject to customer's requirements.</p>
3)	<p>Undertaking the policy of Related Party Transactions ("RPT") among the merged CCPH, Kinpo and/or its subsidiaries, and the Company and/or its subsidiaries must always be made in accordance with Arm's Length principals, in consideration of Market Conditions, applicable legislation and best practices of corporate governance, transparency and full respect for the interests of the merged CCPH; except for RPT that are clearly beneficial for the merged CCPH and all of its shareholders.</p>
4)	<p>Undertaking that the merged CCPH shall declare and pay dividend of not less than 20% of CCPH's net profit of each fiscal year after the legal reserve from the unrestricted retained earnings which may be payable in cash, property, or stock to all shareholders on the basis of outstanding stock held by them when the merged CCPH's surplus profits exceeds 100% of its capital stock. Provided that the rate of dividend payment will be subject to cash flows and investment plans of the merged CCPH and its subsidiaries, as well as regulatory and tax restrictions and other requirements.</p>

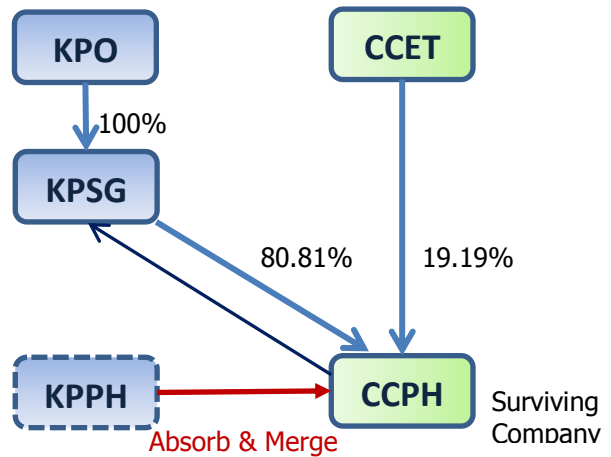
During the pre-transaction, CCPH is wholly-owned by CCET and KPPH is wholly-owned by Kinpo Group. Upon the Post-transaction, all of KPPH's assets, liabilities and equity as in whole shall transfer and merge into CCPH's account; CCPH shall then become the surviving company while KPPH shall be absorbed and dissolved after the completion of the transaction. Furthermore, since CCPH shall issue not more than 8,956,377 new ordinary shares to Kinpo Group in exchange for all of KPPH's shares, therefore after the dilution, CCET shall ultimately hold 19.19% of CCPH shares which equivalent to 2,127,120 shares while Kinpo Group shall hold 80.81% of CCPH shares from the received of 8,956,377 CCPH shares at post-transaction. As a result, the Company shall record profit and loss of CCPH's using equity method to reflecting its shareholding of 19.19% at post-transaction.

The shareholding structure of pre-transaction and post-transaction shall be as below:

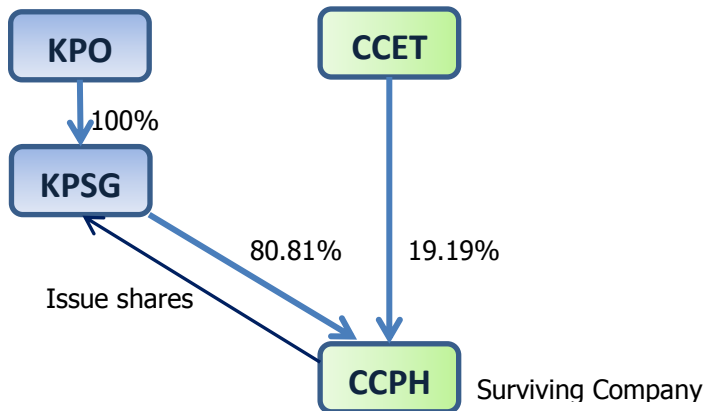
The shareholding structure of pre-transaction



The shareholding structure during Transaction



The shareholding structure of post-transaction



Furthermore, the CCPH shall be the surviving company and the board of directors shall still remain 5 seats after the Transaction. That is, one seat shall be represent the Kinpo Group, one seat shall be represent the Company and three seats or at least half portion of directors shall be as local residents and/or independent directors in accordance with the Philippine regulation in relating to the establishment of a foreign corporation. In additional, the Company shall still held the position of managing director in order to maintain the managing duty at the post-transaction.

The calculation of the transaction sizes of the disposition transaction as prescribed in the Acquisition and Disposal Notifications and the Connected Transaction Notifications is based on the latest reviewed consolidated financial statements of the Company ended March 31, 2017, the standalone reviewed financial statements of CCPH for the three-month period ended March 31, 2017, the management accounts financial statements of KPPH for three-month period ended March 31, 2017; details as the following:

Unit: M THB							
Key Financial Information used in M&A calculation criteria	The Company Consolidated FS Ended March 31, 2017	CCPH			KPPH		
		Standalone FS Ended March 31, 2017	Audited FS FY2016	Audited FS FY2015	Management accounts Ended March 31, 2017	Audited FS FY2016	Audited FS FY2015
Total Assets	53,829 M	736 M	713 M	640 M	5,687 M	4,692 M	3,720 M
Intangible Assets	144 M	1 M	1 M	3 M	4 M	743 M	749 M
Total Liabilities	35,131 M	98 M	120 M	184 M	2,251 M	1,335 M	1,919 M
Total Shareholder's Equity	18,696 M	638 M	593 M	455 M	3,436 M	3,357 M	1,801 M
Net Tangible Asset ("NTA")	18,205 M	637 M	592 M	453 M	3,433 M	2,614 M	1,052 M
Net Profit (Loss)	402 M	45 M	137 M	110 M	80 M	(81) M	53 M
Net Profit (Loss) (12-month period backward)	1,272 M	162 M	137 M	110 M	(155) M	(81) M	53 M
Non-Controlling Interests	239 M	NA	NA	NA	NA	NA	NA

Criteria	Transaction Size (%)
1. Net Tangible Assets Value	2.83%
2. Net Profit (12-month period)	10.28%
3. Total Value of Consideration	4.99%
4. Value of Issued Equity	NA
RPT %	14.75%

The transaction size of the Transaction calculated based on the 12-month period net profit criteria consideration, which gave the highest transaction value, is accounted for 10.28%. As a result, the

Transaction is classified as **Class 3** Transaction pursuant to the Acquisition and Disposal Notifications.

In addition, the transaction size of the Transaction is also equivalent to 14.75% of the Company's net tangible assets ("NTA"), and, the six-month accumulated transaction value is accounted for 15.10% which is more than Baht 20 million and/or 3.00% of the Company's NTA pursuant to the Connected Transaction Notifications.

4. Details of Assets to be Acquired

The Company will acquire not more than 49,260,075 shares of KPPH with a par value of PHP 100 or equivalent to THB 69.57 per share. The offering price is not more than PHP 18.181818 or equivalent to THB 12.65 per share. Total amount of investment is not more than PHP 895,637,700 or equivalent to THB 623,095,147.89. Details of the business are as follow:

Name of the acquired assets : Kinpo Electronics (Philippines) Inc.
 Business nature : an EMS company in manufacturing consumer electronics products including calculators and home appliance products and else in Philippines.

Name of the disposed assets : Cal-Comp Technology (Philippines) Inc.
 Business nature : an EMS company in manufacturing electronics products including external hard disk and PCBA products in Philippines.

Key financial information :

Key Financial Information	CCPH						KPPH					
	Q1/FY2017 Standalone FS Ended March 31, 2017		Audited FS FY2016		Audited FS FY2015		Q1/FY2017 Management's Account Ended March 31, 2017		Audited FS FY2016		Audited FS FY2015	
	M PHP*	M THB*	M PHP	M THB	M PHP	M THB	M PHP*	M THB	M PHP	M THB	M PHP	M THB
Revenue	192 M	134 M	707 M	492 M	6,594 M	4,588 M	1,815 M	1,263 M	5,099 M	3,548 M	5,407 M	3,762 M
Gross Profit	58 M	40 M	188 M	131 M	209 M	145 M	206 M	143 M	213 M	148 M	330 M	229 M
S&A	2	1	18	12	23	16	74	51	284	198	204	142
Net Profit (Loss)	65 M	45 M	197 M	137 M	159 M	110 M	114 M	80 M	(116) M	(81) M	76 M	53 M
Total Assets	1,058 M	736 M	1,025 M	713 M	919 M	640 M	8,175 M	5,687 M	6,744 M	4,692 M	5,347 M	3,720 M
AR	132	92	154	107	170	118	1,071	745	390	272	244	170
Total Liabilities	145 M	98 M	173 M	120 M	265 M	184 M	3,235 M	2,251 M	1,919 M	1,335 M	2,758 M	1,919 M
AP	90	63	146	101	247	172	3,092	2,151	1,416	985	1,011	703
Total Shareholder's Equity	917 M	638 M	852 M	593 M	654 M	455 M	4,940 M	3,436 M	4,825 M	3,357 M	2,589 M	1,801 M

* Exchange rate: PHP/Baht = 0.6957 (closing rate as at March 31, 2017 as announced by the Bank of Thailand)

Shareholding Structure of KPPH : KPPH was established on January 16, 2014 with initial paid-up capital of PHP 675,000,000 and has increased its paid-up capital to PHP 4,926,007,500 or equivalent to THB 3,427,023,417.75 divided into 49,260,075 ordinary shares with a par value of PHP 100 or equivalent to THB 69.57 per share in FY2016.

Board of Directors of KPPH : 1. Mr. Shen, Shyh-Yong
2. Mr. Khongsit Choukitcharoen
3. Mr. Priscilla B. Valer
4. Mrs. Marie Rose Barramenda-Lim
5. Mr. Timothy John R. Batan

Shareholding Structure of CCPH : CCPH was established on June 1, 2012 with paid-up capital to PHP 212,712,000 or equivalent to THB 147,983,738.4 divided into 2,127,120 ordinary shares with a par value of PHP 100 or equivalent to THB 69.57 per share.

Board of Directors of CCPH : 1. Mr. Shen, Shyh-Yong
2. Mr. Khongsit Choukitcharoen
3. Mr. Priscilla B. Valer
4. Ms. Christiana Andrea G. Daroy--Golez
5. Mrs. Maria Paz S. Angeles-Carale

5. Total Value of Consideration

The Company will acquire not more than 49,260,075 shares of KPPH with a par value of PHP 100 or equivalent to THB 69.57 per share. The offering price is not more than PHP 18.181818 or equivalent to THB 12.65 per share. Total amount of investment is not more than PHP 895,637,700 or equivalent to THB 623,095,147.89 after the approval of the shareholders in the Extraordinary General Meeting of the Shareholders No. 1/2017 which will be held on August 10, 2017.

The total value of the consideration for the acquisition of the shares of KPPH is the newly issued shares of CCPH to all shareholders of KPPH in the number of not more than 8,956,377 shares with a par value of PHP 100 or equivalent to THB 69.57 per share at the offering price PHP 100 or equivalent to THB 69.57 or equivalent to the total value of the consideration of not more than PHP 895,637,700 or equivalent to THB 623,095,147.89 (names of the shareholders of KPPH are specified in the Item No. 4. Details of the Assets Acquired).

The transaction size of the Transaction calculated based on the 12-month period net profit criteria consideration, which gave the highest transaction value is equivalent to 10.28%. As a result, the Transaction is classified as Class 3 Transaction pursuant to the Acquisition and disposal Notifications, and the Company shall voluntarily disclose information to shareholders within 21 days upon the Board resolution date.

The transaction size of the Transaction is also equivalent to 14.75% of the Company's net tangible assets ("NTA"), and, the six-month accumulated transaction value is equivalent to 15.10 %, which is more than Baht 20M and/or 3.00% of the Company's NTA pursuant to the Connected Transaction Notifications whereby the Company's shareholders approval is required (not less than three-fourths of the votes of the shareholders attending such meeting and having the right to vote, excluding the votes cast by the shareholders whom have an interest in the matter).

Further, according to the Philippines law, the Corporation Code of the Philippines, in referring to power of pre-emptive right, the newly issued shares will be offered to the existing shareholders of KKPH as the consideration from CPPH in proportion to their rights. However, the Company will waive its right to subscribe CPPH's rights issue for the shareholders of KPPH as per the Transaction. In this regard, the waiver of subscription in CPPH is considered as a disposal as specified in the Acquisition and Disposal of Assets Notifications. As a result of the Transaction, the shareholding of the Company in CPPH will be diluted from 100% to 19.19% of the total issued shares after the capital increase of CPPH. In addition, this will be considered as the sale or transfer of the important parts of the business of the Company to other persons pursuant to Section 107 (2)(a) of the Public Limited Companies Act B.E. 2535 (1992) (as amended) with the value equal to 4.99% as total value of consideration referred from financial statement of the Company and subsidiaries as of March 31, 2017.

6. Basis to Determine the Value of Consideration

Value of the assets to be acquired was determined based on an arm-length negotiation between the Company and the seller, that is, the said negotiation has been made by the management of the Company and that of Kinpo Group who had no conflict of interest, and the independent directors of CCPH have well considered and approved the valuation methodology, and CCPH has duly engaged one of the renown financial advisory companies to do the valuation of CCPH and KPPH business as a whole. The Transaction was considered and calculated based on a number of methods by reviewing of both CCPH's and KPPH's five year financial projections as well as using both the Discounted cash flow ("DCF") and Guideline public company method ("GPCM") in comparison with the book value of CCPH and KPPH when determine the fairness of valuation, which is the standard used in investment decision making. Moreover, the Company also took into account the benefits in the future as well as the potential synergies of CCPH and the Company.

The value of consideration is based on the equal weighting (50%) of Discounted cash flow (“DCF”) and Guideline public company method (“GPCM”) in consider that the DCF has applied to consider the future value of CCPH and KPPH, and that the GPCM has applied to consider the value of CCPH and KPPH through benchmark value of public company, therefore, the Company believe the equal weight of both method is suitable when determine the value of the Transaction.

7. Expected benefit for the Company

Since the electronics industry is gradually increased toward its maturity as well as the common trend of partnership alliance among business entities in seeking for better business potential, the Company has foreseen the business risk of CPPH having sole customer particularly in the hard disk industry. Therefore, the Company believes the Transaction would enhance the Company in aspect of the followings;

- Diversified product categories: CCPH currently has been manufacturing the hard-disk products for a single customer. To foreseen the risks of having a single customer in a gradual matured industry, the Company sees the necessity to enhance its product diversities by acquiring KPPH’s customer bases. KPPH currently has manufactures the calculator products for 3 customers and has its new business line to manufacture the vacuum cleaner and hair dryer products for a top tier customer in home appliance industry. Therefore, by merge CCPH and KPPH, the new CCPH shall have more than 5 customer base to minimize the dependence risk of having a single customer as if in its original form.
- Greater business synergies: CCPH is sound in its software data system as well automation system in order to enhance its production competitiveness over the years while KPPH has more experienced in its R&D research and more than 2 product sectors with up to 5 customer bases. By combine both parties’ strength and competitive factors, it shall enhance the new CCPH for more business revenue whiling capable of using more efficient operating system by applying CCPH’s data system control know-how in seeking to even lower the operation expense through fewer manpower yet with higher efficiency outcome.
- Strengthen the financial status for both CCPH and the Company: although after the merger of CCPH and KPPH, the Company shall reduced its shareholding from 100% to 19.19%, however, the Company is expecting for the newly merged CCPH to bring better profit as compare to CCPH itself when held as a whole. At the post-transaction, the merged CCPH’s estimated net income shall be at PHP 515M in total by year end FY2017, in which about PHP 99M net income shall be accounts for the Company’s profit contribution according to its shareholding of 19.19%. Therefore, the Company shall be more financial benefit if compared to the estimated net income of PHP 61M by CCPH as if 100% owned. That is to say, the Company shall be expected to record a higher projected net income for the following 5 years at PHP 117M, PHP 148M, PHP 183M, PHP 251M from FY2018 to FY2021 respectively accordingly to its shareholding of 19.19% as compare to a projected

net income of PHP 104M, PHP 129M, PHP129M, and PHP 126M during the same period respectively as if not entering the Transaction (details of projections as shown in Attachment 1). Moreover, the merged CCPH at the post-transaction shall be expected to record a better net profit margin at 4.58%, 4.17%, 4.68%, 5.24%, and 6.53% from FY2017 to FY2021 respectively as compare to a projected net profit margin of 2.32%, 2.39%, 2.81%, 2.67%, and 2.50% during the same period respectively as if not entering the Transaction. In other words, the Company can already expected to have immediate financial benefit derived from the earning generate from the merged CCPH to enhance the Company's overall performance by end of FY2017 if enter the Transaction.

- Lowered entry expense to explore new market: CCPH currently only has experience in manufacturing hard disk products; therefore through the merger, CCPH could enjoy the marketing resource and R&D resource from KPPH without needing for additional capital investment, which therefore can be benefit from reduced additional operation expense to explore new markets. Moreover, the Company can therefore expect to reduce capital injection to CCPH for future business expansion purpose.
- Lower the operating expense by more flexible sharing KPPH's equipments and factory areas: after the Transaction, CCPH shall be able to use KPPH's existing resource for its machines and equipments as well the flexibility to take position of the factory facility in seeking to minimize the future capital expenditure for business expansion purpose. For instance, by sharing existing SMT equipments from KPPH's resources shall be expecting an immediate reduce in capital expenditure amount which CCPH may have to invest up to USD 6 million for SMT facilities by FY2018 in order to support the additional demand if not enter the Transaction.
- No financing burden to the Company for acquiring KPPH's shares from Kinpo Group: The Company shall have no cash flow out therefore can maintain financial positive after the Transaction, and there shall no share dilution to the Company's shareholder.
- Management control remained (CCET's management seats remains): since the board of directors of CCPH shall still remains 5 seats including Mr. Shen, Shyh-Yong, the vice chairman of the Company and representative of Kinpo Group, Mr. Khongsit Choukitcharoen, the managing director of the Company, Ms. Maria Paz S. Angeles, Ms. Christiana Andrea Daroy-Golez, Ms. Priscilla B. Valer. In additional, Mr. Khongsit Choukitcharoen shall remain as the managing director of CCPH and the Company still have a managing duty at the post-transaction to keeping best benefit for the new CCPH and the Company.
- The Company sees the ongoing business reputation and brand value to remain the name of Cal-Comp Technology (Philippines) Inc. as the surviving company brand after the merger so the Company's brand reputation can be carry on among CCPH's existing customers as well KPPH's customers. In additional, the Company can be benefit by continuing gaining the brand recognition.

8. Source of Funding

The Company's subsidiary, CCPH, will proceed to pay the consideration to Kinpo Group by exchange its newly issuance of ordinary shares after the fulfill the Company's shareholders meeting approval in Thailand and relevant regulations and procedures in Philippines.

9. Opinion of the Company's Board of Directors

The Board of Director of the Company (excluding the directors who had a conflict of interest on the Transaction as mentioned below) has considered and viewed the Transaction to be reasonable beneficial to the Company and its shareholders for the following reason;

- The acquisition of KPPH shall not only aim to acquire its assets but also aim to absorb its ongoing business value such as its customer lists and its customer orders in consider that KPPH carries different product lines as compared to CCPH, therefore, CCPH after the Transaction shall carry verity products to expand its market position domestically. Although, after the Transaction, the Company shall have reduced shareholding of the Company in CCPH from 100% to 19.19% over arm-length negotiation between the 2 parities, however, the Company shall expect same or greater in return in consider its business values and potentials in hands after the Transaction. For instance, the Company believes since both CCPH and KPPH have carried on different product lines; CCPH manufacturing PCBA and HDD products while KPPH manufacturing calculator products and home appliance products such as vacuum products and hair dryer products, therefore both factories shall have on-going operation after the Transaction without conflicts. Although, the Company has less shareholding portion than pre-transaction, the Company will earn its creditability entering into new industry such as home appliance products. The Company believes the synergies of the transaction shall be more beneficial to the Company than not to merge. CCPH after the Transaction shall have more sufficient capital structure as well as more diversified product lines as comparing to the previously entity, which shall have better potential in considering for public funding resources including bank financing, equity fund and else for future business expansion purpose.
- In additional, the Company also aims that acquiring KPPH's resources and experiences in other electronics related products and marketing channels can therefore to minimize additional capital funding from the Company to support the new CCPH in consideration for future business expansion purpose.
- The newly merged CCPH shall still act as an individual company to generate its maximum benefit while regularly reviewed by the boards and auditors to ensure all the regulations are properly followed and the operation is at its best benefits.
- The Board has the opinion that the decision of this transaction is appropriate because the Company will gain more competitive advantages at the post-transaction in the future and doesn't have the burden of finding the other sources of capital or loans. Furthermore, the swap ratio is in the range of share swap rate calculated from the projected cash flows of CCPH and KPPH. Thus, the share swap ratio is appropriate and the Board has the resolution to approve the

decision to enter the Transaction which will be presented to Shareholders' meeting for further consideration.

To enter into the Transaction, the Company's directors having interest and/or directors being connected person did not attend the meeting and has no voting right due to conflict of interest in the Transaction shall as below;

<u>List of Directors having conflicts of interest</u>	<u>Type of Conflict of Interest</u>
a) Mr. Hsu, Sheng-Hsiung	a director of Kinpo Group
b) Mr. Hsu, Sheng-Chieh	a director of Kinpo Group
c) Mr. Shen, Shyh-Yong	a director of Kinpo Group
d) Mr. Khongsit Choukitcharoen	a director of KPPH
e) Mr. Pan, Hung-Shen	a management of Kinpo Group

10. Opinion of the Company's Audit Committee

The Audit Committee has considered the benefits and rational of the transaction and the Audit Committee concur with opinion from the Company's Board of Directors.

The Company has held another board meeting on June 26, 2017 to review the IFA Opinion. The Audit Committee has then considered the rationale of the IFA Opinion which presented a swap ratio that is in line with the swap ratio approved by the Board of Directors. Thus, the swap ratio proposed by the Company and approved by the Board is considered appropriate. And, in consider the purchase price of shares presented by the IFA, the selected method to evaluate the price is Discounted Cash flows due to its consideration of the previous performance, the company's operation in present and future, thus, the Audit Committee has also considered the price on IFA Opinion is appropriate.

In terms of shareholder structure, even if the shareholding structure may have conflict the regulated structure, however, the Company has considered the maximum benefit reflecting the Company to grow in the future along with more production bases and the creation of new products in the appliance market in Philippines instead of producing only one or two types of products as in present. Moreover, the Company has the policy of transparency based on good governance. Therefore, the Audit Committee has the opinion that the Independent Financial Advisor's report is appropriate.

11. Events after the reporting period

The Company appointed OptAsia Capital Co., Ltd. whose name appeared in the list of financial advisors approved by the SEC Office as the independent financial advisor on May 27, 2017 to give an opinion on the Transaction, including preparing relevant documents as required by the competent authorities.

Details of studies, Valuation Assumptions of the Transaction

Valuation methods:

The Company has engaged one of the renowned financial advisory companies in Philippine, Navarro Amper & Co. (the member of Deloitte), to do the valuation. The valuation methods discussed below were evaluated in accordance with the projected business and operation assumptions of CCPH and KPPH during beginning of FY2016 in order to identify the applicable share swap ratio for the Transaction, and may subject to the situation from time to time;

1. Discounted Cash Flow Method (“DCF”)

- The discounted cash flow method will be applied to both CCPH and KPPH as both are in a good financial position with profitable prospects (i.e., vacuums and hair dryers for KPPH and manufacturing of hard disk drives and solid state drives for CCPH).

WACC Calculation	Low	High
CCPH	13.00%	14.50%
KPPH	14.50%	15.30%

Notes:

- The discount rate represents the overall rate of return that the investment in CCPH & KPPH is expected to generate considering the inherent risks and costs in undertaking such investment. In computing the WACC, the International Cost of Capital (“ICOC”) approach is used.
- The valuation date for the business valuation is 31 March 2017.
- The WACC is the weighted average of all costs of financing, such as debt and equity. To arrive at a discount rate from a market participant’s perspective, the data variables are sourced from market data and guideline public companies.
- The calculation of Weighted Average Cost of Capital (WACC)

$$\text{WACC Formula: } \text{WACC} = E/V * K_e + K_d * (1 + T_c) = w_d r_d + w_e r_e$$

Where;

K_e = Cost of equity

K_d = Cost of Debt

E = Equity

D = Interest bearing debt

V = E+D

T_c = Corporate income tax (currently is 0%)

w_d = the weight of debt financing by the guideline public companies

w_e = the weight of equity financing through the market capitalization of the guideline public companies

r_d = the after-tax cost of debt

r_e = the cost of equity

WACC calculation:

<u>CCPH</u>	<u>Low</u>	<u>High</u>	
After-tax cost of debt (r_d)	6.8%	6.8%	(corporate bond yield + country specific spread for Philippines)
Cost of equity (r_e)	15.2%	17.1%	(preliminary cost of equity + country risk premium Philippines + size premium* + company specific risk premium**)
Debt to capital ratio (w_d)	25.9%	25.9%	(median debt-to-capital ratio of guideline public companies)
Equity to capital ratio (w_e)	74.1%	74.1%	(median equity-to-capital ratio of guideline public companies)
WACC	13.0%	14.5%	$W_d r_d + W_e r_e$

*Size Premium of 2.7% to 3.7% based on Duff and Phelps 2017 valuation handbook localized based on Philippines stocks

** Company specific risk premium of 0.0% to 1.0%

<u>KPPH</u>	<u>Low</u>	<u>High</u>	
After-tax cost of debt (r_d)	6.80%	6.80%	(corporate bond yield + country specific spread for Philippines)
Cost of equity (r_e)	17.10%	18.20%	(preliminary cost of equity + country risk premium Philippines + size premium* + company specific risk premium**)
Debt to capital ratio (w_d)	25.90%	25.90%	(median debt-to-capital ratio of guideline public companies)
Equity to capital ratio (w_e)	74.10%	74.10%	(median equity-to-capital ratio of guideline public companies)
WACC	14.5%	15.3%	$W_d r_d + W_e r_e$

*Size Premium of 1.7% to 1.8% based on Duff and Phelps 2017 valuation handbook localized based on Philippines stocks

** Company specific risk premium of 3.0% to 4.0%

5 Years of Financial assumptions

Sales revenues

- CCPH is projected to have annual revenue growth of 2-5% primarily in consider the trend of hard disk business is at its matured period and the revenue generate from SSD product in Q3/2017, while KPPH is projected to have annual revenue growth of 12-20% primarily in consider the newly received contract from a Key customer to manufacture the vacuum cleaner and hair dryer products since Nov. 2016 as well foreseen growth for calculator and beauty products.

Key Costs and Expenses

- The Operating Exp. of CCPH is to be projected at annual 2% in accordance with historical experience, while the Operating Exp. of KPPH is to be projected at annual 2-5% primarily in consider the future selling and administration expenses in order to support the operation.
- The assets will be depreciated for 5-50 years in line with Philippine Financial Reporting Standards (PFRS) for both CCPH and KPPH assumption

- The Capex of CCPH is projected at 1-5 of annual revenue in respond to its capacity and demand, while the Capex of KPPH is projected at 6-10% of annual revenue in consider its ongoing development of factory in First Philippine Industrial Park in Batangas city and the ongoing construction of the dormitory and research and development center in during FY2017-FY2019

Unit: K PHP/THB

<u>CCPH Projection</u>	2017		2018		2019		2020		2021		Terminal Period	
	PHP	THB	PHP	THB	PHP	THB	PHP	THB	PHP	THB	PHP	THB
Revenue	2,645,400	1,840,405	4,364,910	3,036,668	4,583,156	3,188,501	4,812,313	3,347,926	5,047,900	3,511,824	5,140,274	3,576,089
COGS	(2,524,496)	(1,756,292)	(4,168,489)	(2,900,018)	(4,376,914)	(3,045,019)	(4,913,853)	(3,418,567)	(4,825,547)	(3,357,133)	(4,913,853)	(3,418,567)
Gross Margin	120,904	84,113	196,421	136,650	206,242	143,483	226,422	157,522	222,353	154,691	226,422	157,522
Operating Exp	(59,500)	(41,394)	(92,150)	(64,109)	(77,250)	(53,743)	(97,910)	(68,116)	(96,150)	(66,892)	(97,910)	(68,116)
EBITDA	116,954	81,365	189,821	132,058	226,542	157,605	249,232	173,391	244,753	170,275	249,232	173,391
Depreciation	(55,550)	(38,646)	(85,550)	(59,517)	(97,550)	(67,866)	(120,719)	(83,984)	(118,550)	(82,475)	(120,719)	(83,984)
EBIT	61,404	42,719	104,271	72,541	128,992	89,740	128,512	89,406	126,203	87,799	128,512	89,406
EBIT margin	2.3%	2.3%	2.4%	2.4%	2.8%	2.8%	2.7%	2.7%	2.5%	2.5%	2.5%	2.5%
PEZA income tax	6,045	4,206	9,821	6,833	10,312	7,174	10,828	7,533	11,118	7,735	11,321	7,876
net operation profit after tax	55,359	38,513	94,450	65,709	118,680	82,566	118,926	82,737	115,085	80,065	117,191	81,530
Plus: Depreciation	55,550	38,646	85,550	59,517	97,550	67,866	108,050	75,170	118,550	82,475	120,719	83,984
less: Capex	(100,000)	(69,570)	(200,000)	(139,140)	(80,000)	(55,656)	(70,000)	(48,699)	(70,000)	(48,699)	(120,700)	(83,971)
Less: Incremental NWC	(132,050)	(91,867)	(150,650)	(104,807)	(19,150)	(13,323)	(20,100)	(13,984)	(20,050)	(13,949)	(8,100)	(5,635)
Net Available Cash Flow	(121,141)	(84,278)	(170,650)	(118,721)	117,080	81,452	136,876	95,225	143,585	99,892	109,111	75,908
Period Discounting	0.38	0.38	1.25	1.25	2.25	2.25	3.25	3.25	4.25	4.25		
PV factor-high (13.0%)	0.95	0.95	0.86	0.86	0.76	0.76	0.67	0.67	0.59	0.59		
PV of cash flow-high	(115,644)	(80,453)	(146,473)	(101,901)	88,932	61,870	92,008	64,010	85,413	59,422		
PV factor-low (14.5%)	0.95	0.95	0.84	0.84	0.74	0.74	0.64	0.64	0.56	0.56		
PV of cash flow-low	(115,066)	(80,051)	(144,079)	(100,236)	86,332	60,061	88,148	61,324	80,758	56,183		

<u>KPPH Projection</u>	2017		2018		2019		2020		2021		Terminal Period	
	PHP	THB	PHP	THB	PHP	THB	PHP	THB	PHP	THB	PHP	THB
Revenue	8,588,600	5,975,089	10,306,320	7,170,107	11,852,268	8,245,623	13,393,063	9,317,554	14,968,300	10,413,446	15,242,242	10,604,028
COGS	(7,845,356)	(5,458,014)	(9,323,025)	(6,486,028)	(10,667,871)	(7,421,638)	(11,994,421)	(8,344,518)	(13,193,863)	(9,178,970)	(13,435,330)	(9,346,959)
Gross Margin	743,245	517,075	983,296	684,079	1,184,398	823,985	1,398,643	973,036	1,774,438	1,234,476	1,806,912	1,257,069
Operating Exp	(289,800)	(201,614)	(475,400)	(330,736)	(543,400)	(378,043)	(572,700)	(398,427)	(592,750)	(412,376)	(603,598)	(419,923)
EBITDA	559,495	389,240	732,746	509,771	927,597	645,330	1,119,293	778,692	1,469,438	1,022,288	1,496,330	1,040,997
Depreciation	(106,050)	(73,779)	(224,850)	(156,428)	(286,600)	(199,388)	(293,350)	(204,084)	(287,750)	(200,188)	(293,016)	(203,851)
EBIT	453,445	315,461	507,896	353,343	640,997	445,942	825,943	574,608	1,181,688	822,100	1,203,314	837,146
EBIT margin	5.3%	5.3%	4.9%	4.9%	5.4%	5.4%	6.2%	6.2%	7.9%	7.9%	7.9%	7.9%
PEZA income tax	0	0	20,485	14,252	59,220	41,199	69,932	48,652	88,722	61,724	90,346	62,853
net operation profit after tax	453,445	315,461	487,410	339,091	581,778	404,743	756,010	525,956	1,092,966	760,376	1,112,969	774,292
Plus: Depreciation	106,050	73,779	224,850	156,428	286,600	199,388	293,350	204,084	287,750	200,188	293,016	203,851
less: Capex	(784,000)	(545,429)	(1,051,400)	(731,459)	(673,200)	(468,345)	(25,000)	(17,393)	(25,000)	(17,393)	(293,000)	(203,840)
Less: Incremental NWC	(1,145,150)	(796,681)	(201,900)	(140,462)	(182,350)	(126,861)	(181,150)	(126,026)	(178,750)	(124,356)	(32,450)	(22,575)
Net Available Cash Flow	(1,369,656)	(952,869)	(541,040)	(376,401)	12,828	8,924	843,210	586,621	1,176,966	818,815	1,080,535	751,728
Period Discounting	0.38	0.38	1.25	1.25	2.25	2.25	3.25	3.25	4.25	4.25		
PV factor-high	0.95	0.95	0.84	0.84	0.74	0.74	0.64	0.64	0.56	0.56		
PV of cash flow-high	(1,300,964)	(905,081)	(456,796)	(317,793)	9,459	6,580	543,023	377,781	661,973	460,535		
PV factor-low	0.95	0.95	0.84	0.84	0.73	0.73	0.63	0.63	0.55	0.55		
PV of cash flow-low	(1,297,526)	(902,689)	(452,838)	(315,039)	9,312	6,478	530,873	369,328	642,672	447,107		

<u>Terminal value calculation</u>	CCPH				KPPH			
	Low		High		Low		High	
	PHP	THB	PHP	THB	PHP	THB	PHP	THB
Free cash flow (FCFF)	109,111	75,908	109,111	75,908	1,080,535	751,728	1,080,535	751,728
WACC	14.50%	14.50%	13.00%	13.00%	15.30%	15.30%	14.50%	14.50%
Terminal	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Capitalization factor	7.90	7.90	8.90	8.90	7.40	7.40	7.90	7.90

Terminal value	861,974	599,675	971,085	675,584	7,995,957	5,562,787	8,536,225	5,938,651
PV factor	0.56	0.56	0.59	0.59	0.55	0.55	0.56	0.56
Enterprise value estimation	CCPH				KPPH			
	Low		High		Low		High	
	PHP	THB	PHP	THB	PHP	THB	PHP	THB
PV of discrete cash flows	(3,907)	(2,718)	4,236	2,947	(567,508)	(394,815)	(543,305)	(377,977)
PV of terminal year value	484,809	337,282	577,662	401,879	4,366,122	3,037,511	4,801,119	3,340,139
Indicated enterprise value (DCF)	480,902	334,564	581,897	404,826	3,798,615	2,642,696	4,257,814	2,962,161
PV of terminal value	484,809	337,282	577,662	401,879	4,366,122	3,037,511	4,801,119	3,340,139

- CCPH indicative enterprise value (DCF) is estimated between PHP 481M (or THB 335M) and PHP 582M (or THB 405M), which equivalent as PHP 226.08 per share (or THB 157.28 per share) and PHP 273.56 per share (or THB 190.32 per share) respectively;

- KPPH indicative enterprise value range is estimated between PHP 3,799M (or THB 2,643M) and PHP 4,258M (or THB 2,962M), which equivalent as PHP 77.11 per share (or THB 53.65 per share) and PHP 86.44 per share (or THB 60.13 per share) respectively.

2. Guideline Public Company Method (“GPCM”)

- The GPCM method is applicable to both CCPH and KPPH given that there are publicly listed entities engaged in electronic manufacturing. However, guideline public companies may not fully capture the operations of KPPH and CCPH, and as such, valuation discounts should be applied to be discounted by 20% to better reflect what the applicable size to CCPH and KPPH in consider the guideline public companies are more likely to have larger operations with greater access to financing as well as better marketability as compared. GPCM has used as a secondary approach to estimate the value of CCPH and KPPH.
 - The enterprise value (“EV”) based on the GPCM method of CCPH is estimated at PHP 650M (or THB 452M), equivalent to PHP 305.66 per share (or THB 212.65 per share)
 - The enterprise value (“EV”) based on the GPCM method of KPPH is estimated at PHP 4,798M (or THB 3,338M), equivalent to PHP 97.40 per share (or THB 67.76 per share)

GPCM calculation:

Unit: K PHP/THB

	CCPH		KPPH		
	PHP	THB	PHP	THB	
CCPH FY1 EBIT (a)	61,450	42,751	453,450	315,465	Projected EBIT of 2017
Selected multiple (b)	9.22	9.22	9.22	9.22	Guideline public companies' EV/FY1 EBIT multiples after discount

Indicated EV - Marketable, minority basis (c)	566,262	393,948	4,178,542	2,907,011	(a)*(b)
Add: Control Premium (d)	83,920	58,383	619,260	430,819	{(c)}*(1-Debt to capital ratio)*equity premium
GPCM	650,182	452,331	4,797,802	3,337,831	(c)+(d)

As the indicative value of equity is based on the equal weighting (50%) of the income and market approach, in resulting, the calculated and estimated ratio of equity value range of CCPH and KPPH shall be between 1: 5.44 (PHP 580.88 per CCPH share to PHP 106.75 per KPPH share) and 1 : 5.92 (PHP 604.62 per CCPH share to PHP 102.08per KPPH share), therefore the Transaction is consider reasonable to have share swap ration at 1 : 5.5;

Unit: K PHP/THB

<u>Summary of Values</u>	CCPH				KPPH			
	Low		High		Low		High	
	PHP	THB	PHP	THB	PHP	THB	PHP	THB
Discounted Cash Flow (e)	480,902	334,564	581,897	404,826	3,798,615	2,642,696	4,257,814	2,962,161
Guideline public company method (f)	650,182	452,331	650,182	452,331	4,797,802	3,337,831	4,797,802	3,337,831
Indicated EV (e*50%) + (f*50%)	565,542	393,448	616,040	428,579	4,298,208	2,990,263	4,527,808	3,149,996
Adjusted Book Values	670,050	466,154	670,050	466,154	730,500	508,209	730,500	508,209
Indicated equity value-controlling, marketable basis	<u>1,235,592</u>	<u>859,601</u>	<u>1,286,090</u>	<u>894,733</u>	<u>5,028,708</u>	<u>3,498,472</u>	<u>5,258,308</u>	<u>3,658,205</u>
Outstanding shares	2,127,120	2,127,120	2,127,120	2,127,120	49,260,075	49,260,075	49,260,075	49,260,075
Equity value per share (PHP / THB)	580.88	404.12	604.62	420.63	102.08	71.02	106.75	74.26

Low	High
5.44	5.92