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Ref. IR 60/011

December 12, 2017

Subject: Reduction of the Registered Capital, Conditional Voluntary Tender Offer for all Securities in Thai British Security Printing Public Company Limited, Increase of the Registered Capital, Allocation of the Newly Issued Ordinary Shares to the Company's Existing Shareholders in Proportion to their Respective Shareholdings and Convening of the Extraordinary General Meeting of Shareholders No. 1/2018 (Second Amendment)

To: President
The Stock Exchange of Thailand

Enclosure:

1. Information Memorandum Re: Acquisition of Assets of T.K.S. Technologies Public Company Limited (Schedule 1) (Second Amendment)
2. Information Memorandum Re: the Allocation of the Newly-Issued Ordinary Shares to Existing Shareholders of T.K.S. Technologies Public Company Limited (Second Amendment)
3. Capital Increase Form (F 53-4) (Second Amendment)

Reference is made to that T.K.S. Technologies Public Company Limited (the “**Company**”) held the Board of Directors’ Meeting No. 6/2017 on December 12, 2017. The meeting unanimously approved significant matters as follows:

1. Approved the reduction of the Company’s registered capital by Baht 212.00 from the existing registered capital of Baht 360,206,980.00 to Baht 360,206,768.00 by cancelling 212 unissued shares with a par value of Baht 1.00 per share, and the proposal of this matter to the shareholders’ meeting for further consideration and approval;
2. Approved the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the reduction of the Company’s registered capital, and the proposal of this matter to the shareholders’ meeting for further consideration and approval;
3. Approved the Company’s conditional voluntary tender offer for all securities in Thai British Security Printing Public Company Limited (“**TBSP**”) pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions, and Procedures for the Acquisition of Securities for Business Takeovers (as amended) (the “**Takeover Notification**”) at the offering price of Baht 15.70 per share. The launch of conditional voluntary tender shall take place provided that:
 - (1) the Company obtains shareholder approval for the tender offer for all securities in TBSP;
 - (2) the Company obtains shareholder approval for the Company’s increase of the registered capital and the issuance and allocation of the newly issued ordinary shares to the Company’s existing shareholders in proportion to their respective shareholdings (Rights Offering); and

- (3) there is no material adverse effect on the business status, operating results, assets, and/or financial status of TBSP.

In addition, after being granted approval from the shareholder's meeting, the Company is obliged to submit a statement of intention to make a tender offer in Form 247-3 and an offer document in Form 247-4 to the Office of the Securities and Exchange Commission (the "SEC"), and make a tender offer for all securities in TBSP, including undertake any other actions pursuant to the Takeover Notification.

The said voluntary tender offer for all securities in TBSP constitutes an asset acquisition transaction pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (as amended) (the "**Acquisition and Disposition of Assets Notifications**"). The transaction size of the voluntary tender offer for all securities in TBSP (assuming that all shareholders of TBSP accept the Company's conditional voluntary tender offer) is equivalent to 58.92%, which is deemed as Class 1 Transaction, i.e. a transaction whose size is not less than 50 percent but is lower than 100 percent, calculating based on the total value of consideration criterion, which gives the highest transaction value, pursuant to the Acquisition and Disposition of Assets Notifications. Therefore, the Company is required to proceed as follows:

- (1) disclose the information memorandum on Class 1 Transaction to the Stock Exchange of Thailand (the "SET") pursuant to Acquisition and Disposition of Assets Notifications;
- (2) convene the shareholders' meeting of the Company to consider and approve the conditional voluntary tender offer with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding shareholders having interests. In addition, the Company will utilize proceeds received from the issuance and allocation of the newly issued ordinary shares to the Company's existing shareholders in proportion to their respective shareholdings (Rights Offering) for repayment of loan which shall be borrowed from a financial institution to finance the tender offer for all securities in TBSP (as detailed in Clause 9 of the Information Memorandum Re: Acquisition of Assets of T.K.S. Technologies Public Company Limited (Schedule 1) (Enclosure 1)). Therefore, shareholder approvals for the tender offer for all securities in TBSP and the increase of the Company's registered capital and the issuance and allocation of the newly issued ordinary shares to the Company's existing shareholders in proportion to their respective shareholdings (Rights Offering) are conditional upon one another. If any of the said matters is disapproved, the other matters that have been approved earlier shall be deemed to be cancelled and no other related matters shall be further proposed for consideration; and
- (3) appoint an independent financial advisor to provide an opinion on the asset acquisition transaction and submit such opinion to the SEC, the SET, and the shareholders of the Company for their consideration.

Furthermore, the voluntary tender offer for all securities in TBSP may be deemed as the Company's purchase or acceptance of business transfer from other companies pursuant to Section 107(2)(b) of the Public Limited Company Act B.E. 2535 (as amended) given that the Company acquires shares in TBSP of more than 50 percent of the total paid-up shares of TBSP upon completion of the said voluntary tender offer, which requires that the Company arrange for a shareholders' meeting to be held to consider and approve the business transfer of TBSP, which requires votes of not less than three-fourths of the total voting rights of the shareholders attending the meeting and having the right to vote, excluding shareholders having interests.

The Board of Directors, therefore, deemed appropriate to propose the abovementioned transaction to the shareholders' meeting for further consideration and approval. Details on the transaction are as set out in Information Memorandum Re: Acquisition of Assets of T.K.S. Technologies Public Company Limited (Schedule 1) (Enclosure 1);

4. Approved the increase of the Company's registered capital by Baht 60,000,000.00 from the existing capital of Baht 360,206,768.00 to Baht 420,206,768.00 by issuing 60,000,000 ordinary shares with a par value of Baht 1.00 per share, and the proposal of this matter to the shareholders' meeting for further consideration and approval. Details on the increase of the Company's registered capital are as set out in Information Memorandum Re: the Allocation of the Newly-Issued Ordinary Shares to Existing Shareholders of T.K.S. Technologies Public Company Limited (Enclosure 2) and the Capital Increase Form (F 53-4) (Enclosure 3);
5. Approved the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the increase of the Company's registered capital, and the proposal of this matter to the shareholders' meeting for further consideration and approval;
6. Approved the allocation of the Company's newly issued ordinary shares in an amount of not exceeding 60,000,000 shares with a par value of Baht 1.00 per share to the Company's existing shareholders in proportion to their respective shareholdings (Rights Offering) at the allocation ratio of 6.0034461 existing shares to 1 newly issued ordinary share, at the offering price of Baht 10.00 per share. In the event that there is any fraction of shares, the fraction shall be disregarded, and in the case where there are shares unsubscribed from the first round of allocation, the Company will re-allocate those unsubscribed shares to the shareholder who wishes to over subscribe the shares exceeding their right in accordance with their shareholding ratio until all shares are fully subscribed, or until such remaining shares cannot be allocated due to fraction of shares, or until none of the shareholders wishes to over subscribe for those unsubscribed shares.

In this regard, the Company determined the date for determining the names of shareholders entitled to subscribe and being allocated the newly issued ordinary shares (Record Date) on February 23, 2018, and the subscription date and the date of payment for the newly issued ordinary shares on March 20 – 26, 2018. Details on the allocation of the newly issued ordinary shares are as set out in the Information Memorandum Re: the Allocation of the Newly-Issued Ordinary Shares to Existing Shareholders of T.K.S. Technologies Public Company Limited (Enclosure 2);

7. Approved the appointment of Avantgarde Capital Co., Ltd., a financial advisor whose name appears on the approved list of the SEC, as the Independent Financial Advisor of the Company to provide an opinion on the transaction as required by the Acquisition and Disposition of Assets Notifications; and
8. Approved the determination of the date, time, and venue of the Extraordinary General Meeting of Shareholders No. 1/2018 on February 15, 2018, at 14.00 h. at Mongkolsuthree Meeting Room, located at 433 Sukhonthasawat Road, Lat Phrao Sub-district, Lat Phrao District, Bangkok 10230 to consider the following agenda items:

Agenda Item 1 To consider and adopt the Minutes of the Annual General Meeting of Shareholders 2017;

Agenda Item 2 To consider and approve the tender offer for all securities in Thai British Security Printing Public Company Limited;

- Agenda Item 3 To consider and approve the reduction of the Company's registered capital by Baht 212.00 from the existing registered capital of Baht 360,206,980.00 to Baht 360,206,768.00 by cancelling 212 unissued shares with a par value of Baht 1.00 per share;
- Agenda Item 4 To consider and approve the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the reduction of the Company's registered capital;
- Agenda Item 5 To consider and approve the increase of the Company's registered capital by Baht 60,000,000.00 from the existing capital of Baht 360,206,768.00 to Baht 420,206,768.00 by issuing 60,000,000 ordinary shares with a par value of Baht 1.00 per share;
- Agenda Item 6 To consider and approve the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the increase of the Company's registered capital;
- Agenda Item 7 To consider and approve the allocation of the Company's newly issued ordinary shares in an amount of not exceeding 60,000,000 shares with a par value of Baht 1.00 per share to the Company's existing shareholders in proportion to their respective shareholdings (Rights Offering); and
- Agenda Item 8 To consider other matters (if any).

In addition, the Company determined the date for determining the names of shareholders entitled to attend the Extraordinary General Meeting No. 1/2018 (Record Date) on December 27, 2017.

Please be informed accordingly.

Sincerely yours,

T.K.S. Technologies Public Company Limited

(Mr. Somkid Wekinvattanased)
Managing Director

Disclaimer: The English translation of this document is prepared solely for reference for non-Thai shareholders of the Company. It should neither be relied upon as the definitive nor the official document of the Company. The Thai version is the official document and shall prevail in all respects in the event of any inconsistency with the English translation.

Enclosure 1

Information Memorandum Re: Acquisition of Assets of T.K.S. Technologies Public Company Limited (Schedule 1) (Second Amendment)

The Board of Directors' Meeting of T.K.S. Technologies Public Company Limited (the "**Company**") has resolved in the Meeting No. 6/2017 on 12 December 2017, to approve the Company's acquisition of shares of Thai British Security Printing Public Company Limited (the "**Target**" or "**TBSP**") by the means of the conditional voluntary tender offer in accordance with the Notification of Capital Market Supervisory Board No. Tor.Jor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (as amended) (the "**Takeover Notification**") at the offer price of Baht 15.70 per share. The Company will be able to make the conditional voluntary tender provided that:

- (1) the Company obtains shareholder approval for the tender offer for all securities of the Target;
- (2) the Company obtains shareholder approval for the Company's increase of the registered capital and the issuance and allocation of the newly issued ordinary shares to the Company's existing shareholders in proportion to their respective shareholdings (Rights Offering); and
- (3) there is no material adverse effect on the business status, operating results, assets, and/or financial status of the Target.

Prior to the conditional voluntary tender offer, the Company holds a total of 21,879,810 shares in the Target, equivalent to 19.89 percent of the total paid-up shares of the Target. Assuming all shareholders of the Target accept the Company's conditional voluntary tender offer for all Target's shares, the Company will acquire a total of 88,120,190 shares, equivalent to 80.11 percent of the total paid-up shares of the Target, at the offer price of Baht 15.70 per share, equivalent to a consideration of Baht 1,383,486,983.

The acquisition of shares in the Target constitutes an asset acquisition transaction, containing total transaction size of 58.92 percent, calculated in accordance with the total consideration criterion, which gives the highest transaction value (assuming all shareholders of the Target accept the Company's conditional voluntary tender offer for all Target's shares), and the Company does not have any asset acquisition transactions during the past 6 months prior to the Company's entering into the conditional voluntary tender offer. The transaction, therefore, is deemed as Class 1 Transaction, i.e. a transaction whose size is not lower than 50 percent but is lower than 100 percent pursuant to the Notification of Capital Market Supervisory Board No. Tor.Jor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (as amended) (the "**Acquisition and Disposition of Assets Notifications**")

With respect to the conditional voluntary tender offer, the Company shall proceed as follows:

1. disclose the information memorandum on the Class 1 Transaction to the Stock Exchange of Thailand (the “SET”) according to Acquisition and Disposition of Assets Notifications;
2. convene the shareholders’ meeting of the Company to consider and approve the conditional voluntary tender offer with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding the shareholders having interest. In addition, the Company will utilize proceeds received from the issuance and allocation of the newly issued ordinary shares to the Company’s existing shareholders in proportion to their respective shareholdings (Rights Offering) for repayment of loan, which shall be borrowed from a financial institution to finance the tender offer for all securities of the Target (as detailed in Clause 9). Therefore, shareholder approvals for the tender offer for all securities of the Target and the increase of the Company’s registered capital and the issuance and allocation of the newly issued ordinary shares to the Company’s existing shareholders in proportion to their respective shareholdings (Rights Offering) are conditional upon one another. If any of the said matters is disapproved, the other matters that have been approved earlier shall be deemed to be cancelled and no other related matters shall be further proposed for consideration; and
3. appoint an Independent Financial Advisor (IFA) to provide an opinion on the asset acquisition transaction and submit such opinion to Securities and Exchange Commission (the “SEC”), the SET, and the shareholders of the Company for their consideration.

The conditional voluntary tender offer may be deemed as the Company’s purchase or acceptance of transfer of the business of other companies pursuant to Section 107(2)(b) of the Public Limited Companies Act B.E. 2535 (as amended) given that the Company acquires shares in TBSP of more than 50 percent of the total paid-up shares of TBSP upon completion of the said voluntary tender offer, which requires the Company to convene a shareholders’ meeting to obtain approval on the entering into such transaction, whereby the resolution for this agenda shall be passed by votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding the shareholders having interest.

1. Date/Month/Year of the Transaction

The Company will make a tender offer for all securities in the Target after being granted approval from the Extraordinary General Meeting of Shareholders No. 1/2018 which will be held on 15 February 2017. The completion of the transaction is expected to be within April 2018.

2. Involved Parties

Buyer:

T.K.S. Technologies Public Company Limited

Seller:

All Shareholders of Thai British Security Printing Public Company Limited

3. The General Characteristic of the Transaction, Category of the Transaction and Size of the Transaction

The Company has agreed to the acquisition of Target’s shares by making a conditional voluntary tender offer in accordance with the Takeover Notification at the offer price of Baht 15.70

per share. Assuming all shareholders of the Target accept the Company's conditional voluntary tender offer for all Target's shares, the Company will acquire a total of 88,120,190 shares, equivalent to 80.11 percent of the total paid-up shares of the Target, equivalent to a consideration of Baht 1,383,486,983.

The calculation for the size of transactions is based on the consolidated financial statements for 9 months ended 30 September 2017 of the Company and the Target, on the criteria according to the Acquisition and Disposition of Assets Notifications. Details of the calculation are summarized below:

Key Financial Information Used in Calculation

	Company	Target
Key Financial Information	Consolidated financial statements for 9 months ended 30 September 2017 (Baht million)	Consolidated financial statements for 9 months ended 30 September 2017 (Baht million)
Total Assets	2,348.14	1,181.94
Intangible Assets	0.29	27.90
Total Liabilities	597.87	535.40
Total Equity	1,750.26	646.55
Net Profit (Loss)*	337.32	91.88
Non-controlling Interests	-	18.90
Net Tangible Assets**	1,749.98	599.75

*Net Profit (Loss) for the past 12 months (Trailing 12 months)

**Net Tangible Assets calculated based on total assets minus intangible assets, total liabilities, and non-controlling interest

Calculation Criteria

Criteria	Calculation	Transaction Size (%)
1. Net Tangible Asset	Net Tangible Assets of the Target x Acquired Proportion / Net Tangible Assets of the Company = 599.75 x 80.11% / 1,749.98	27.45
2. Net Profits	Net Profits of the Target x Acquired Proportion / Net Profits of the Company = 91.88 x 80.11% / 337.32	21.82
3. Value of Consideration	Total Consideration Paid / Total Assets of the Company = 1,383.49 / 2,348.14	58.92
4. Value of Issued Securities	Cannot be calculated as the Company does not issue securities for the payment of the transaction	-

The transaction size under the total consideration criterion gives the highest transaction value at 58.92 percent. Because the Company has no other acquisition or disposal of asset transactions within 6 months prior to the date of entering into the transactions, the total transaction size equals 58.92 percent.

The Company uses the total value of consideration basis as a criterion for transaction size calculation. Therefore, the conditional voluntary tender offer falls into Class 1 Transaction pursuant to the Acquisition and Disposition of Assets Notifications. The Company is, therefore, required to disclose information relating to such transaction to the SET and convene a shareholders' meeting to request for shareholder approval for entering into such transaction where the shareholder's meeting of the Company must approve with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding the shareholders having interest. In addition, an invitation letter to such shareholders' meeting must include the information at least specified in the Acquisition and Disposition of Assets Notifications, which includes an independent financial advisor's (IFA) opinion.

4. Details of Assets Acquired

Assets Acquired	Ordinary shares of Thai British Security Printing Public Company Limited
Amount of assets to be acquired and shareholding percentage after the acquisition	<p>Assuming all shareholders of the Target accept the Company's conditional voluntary tender offer for all Target's shares: the Company will acquire a total of 88,120,190 shares, equivalent to 80.11 percent of the total paid-up shares of the Target.</p> <p>When combined with 21,879,810 shares that the Company currently holds in in the Target, the Company will hold a total of 110,000,000 shares, equivalent to 100.00 percent of the total paid-up shares of the Target</p>

4.1. General Business Information

Company name	Thai British Security Printing Public Company Limited
Type of business	Produce and distribute security printing products
Registration number	0107537002311
Office Address	41/1 Moo 10, Soi Wat Suan Som, Samrongtai, Phrapradaeng, Samutprakarn 10130
Registered and paid-up capital	Baht 110,000,000: 110,000,000 shares with a par value of Baht 1.00 per share

4.2 General Business Information

TBSP is a manufacturer and distributor of security documents, including cheques, plastic cards, business forms, commercial documents and other security documents. Its main customers are financial institutions and banks. TBSP also provides other services including data printing, enveloping and mailing service, one-stop services relating to data management, forms, stationeries and equipment, document storage and destruction services, anti-counterfeiting solutions, systems management services and membership management services.

The sales and services income generated by TBSP can be categorized into four groups as follows:

1. Revenue from cheques and security documents

Cheques and security documents consist of bank cheques and other security documents such as share certificates, certificates, coupons, cash, passbooks and postal stamps. These products are manufactured using advanced printing and anti-counterfeiting technologies.

2. Revenue from plastic cards

Plastic cards consist of ATM cards, debit cards, credit cards, EMV chip cards complying with the Visa and MasterCard standards, smart cards and general plastic cards.

3. Revenue from business forms and commercial documents

Business forms and commercial documents consist of various types of standard forms, brochures and other commercial documents, including counterfeit prevention labels manufactured using advanced printing techniques and counterfeit prevention technologies

4. Revenue from trading, service and export sales

Revenue from trading, service and export sales consists of revenue from trading business, revenue from provision of various services such as customized printing and mailing services, technical and business solutions consultancy services, data management, form, stationery and equipment solutions and international standard document storage and shredding services, as well as revenue from exports of TBSPs' products to other 32 countries

4.3 Summary of Financial Position and Performance

	Consolidated Financial Statements of TBSP (Unit: Baht million)		
	For 9 months ended 30 September 2017	As of 31 December 2016	As of 31 December 2015
Total Assets	1,181.94	997.07	857.13
Total Liabilities	535.40	356.74	223.82
Total Equity	646.55	640.32	633.31
Total Revenue for the Period	1,024.84	1,241.88	1,105.87
Total Profits (Loss) for the Period	80.47	86.81	60.39

Notes: The consolidated financial statements for the period ended 30 September 2017 were reviewed by certified public accountants. The consolidated financial statements for the period ended 31 December 2015 and 2016 were audited by certified public accountants

4.4 Major Shareholders

Major Shareholders of the Target as at the latest book closing date of 21 August 2017

No.	Names	No. of Shares	Percentage
1.	Miss Sutida Mongkolsuthree	35,336,000	32.12
2.	T.K.S. Technologies Public Company Limited	21,879,810	19.89
3.	SCG Packaging Public Company Limited	19,567,240	17.79
4.	Mr. Krissana Suwanpraipattana	5,420,000	4.93
5.	Mrs. Nantiya Santikan	5,420,000	4.93
6.	Miss Patcharin Tuangsithisombut	5,340,000	4.85
7.	Mr. Ek Tantavichien	5,340,000	4.85
8.	Miss Patchana Tuangsithisombut	2,497,910	2.27
9.	Miss Piyada Kunsongkiat	1,475,000	1.34
10.	Mr. Prasert Wongwaiwit	1,153,320	1.05

Source: SETSMART

4.5 Board of Directors

Members of the Board of Directors as of 4 December 2017

No.	Name	Positions
1.	Mr. Bowon Vongsinudom	Chairman of The Board
2.	Mr. Natapong Pinitpongskul	Managing Director / Director
3.	Mr. Richard David Han	Director
4.	Mr. Prasert Wongwaiwit	Director
5.	Mr. Sitthichai Chantravadee	Director
6.	Mr. Panthep Supachaiyakit	Director
7.	Miss Sutida Mongkolsuthree	Director
8.	Mr. Surasak Amawat	Director
9.	Mr. Krit Umpote	Chairman of The Audit Committee / Independent Director

No.	Name	Positions
10.	Mr. Kuasak La-Orsuwan	Independent Director / Audit Committee
11.	Mr. Chaiwat Utaiwan	Audit Committee

5. Total Value of Consideration and Payment Method

The total value of the consideration for the conditional voluntary tender offer is Baht 1,383,486,983, for a total of 88,120,190 shares of the Target, at the offer price of Baht 15.70 per share. (assuming all shareholders of the Target accept the Company's conditional voluntary tender offer for all Target's shares). The Company shall pay the consideration to shareholders of the Target who have accepted the conditional tender offer as determined in an offer document in Form 247-4, which the Company is obligated to prepare pursuant to the Takeover Notification.

6. Value of Assets Acquired

The total book value of assets acquired based on the most recent reviewed financial statements as of 30 September 2017, as applicable, is equivalent to Baht 946.85 million, with the shareholders' equity of Baht 517.95 million

7. Basis Used to Determine the Value of Consideration

Basis used to determine the value of consideration in the case of making Tender Offer shall be in accordance with the Takeover Notification. The value of consideration was based on the Discounted Cash Flow Valuation method to determine the fair value of the Target. The appointed independent financial advisor is to provide opinion regarding the fair value of the asset acquired.

8. Expected Benefits

The Company and the Target operate in the same business industry, which is security printing. The expected benefits result from this transaction is as follows

1. The Company expects that the transaction would expand and strengthen the Company future prospect as the printing specialization, type of products, customer market, target customer, and distribution of the Company are different than that of the Target.
2. The Company expects that the Transaction, through cooperation and economies of scale between the Company and the Target, would enhance its earnings performance and extend its international reach in South East Asia region.

9. Source of Fund

The Company will fund the conditional tender offer with loans from a financial institution at the amount not exceeding Baht 1,390,000,000, which is sufficient assuming all shareholders of the Target accept the Company's conditional voluntary tender offer for all Target's shares. In addition, the Company will raise funding from the capital increase via rights offering in the amount of Baht 600.00 million to repay the debt related to the conditional tender offer from the financial institution. Details of such capital increase is disclosed in the Information Memorandum Re: the Allocation of the Newly-Issued Ordinary Shares to Existing Shareholders of T.K.S. Technologies Public Company Limited (Enclosure 2).

10. Conditions of the Entering into the Transaction

Conditions of the entering into the transaction are as follows:

1. the Company obtains shareholder approval for the tender offer for all securities of the Target;
2. the Company obtains shareholder approval for the Company's increase of the registered capital and the issuance and allocation of the newly issued ordinary shares to the Company's existing shareholders in proportion to their respective shareholdings (Rights Offering); and
3. there is no material adverse effect on the business status, operating results, assets, and/or financial status of the Target.

In this regard, the Board of Directors Meeting No. 6/2017 of the Company held on 12 December 2017 resolved to convene the Extraordinary General Meeting No. 1/2018 to consider and approve the said transaction.

11. Opinion of the Board of Directors on the Entering into the Transaction

The Board of Directors Meeting No. 6/2017 of the Company held on 12 December 2017 resolved to approve the conditional tender offer, and to propose the transaction to the shareholders' meeting for further consideration and approval. The Board of Directors viewed that the entering into this transaction is reasonable and highly beneficial to the Company and its shareholders because the offer price of the conditional tender offer is considered fair. In addition, the transaction will expand and strengthen the Company's future prospect.

12. Opinion of the Audit Committee and/or the Director(s) of the Company which is Different from the Board of Directors Opinion according to Clause 11

None

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Enclosure 2

Information Memorandum Re: the Allocation of the Newly-Issued Ordinary Shares to Existing Shareholders of T.K.S. Technologies Public Company Limited (Second Amendment)

The Board of Directors' Meeting of T.K.S. Technologies Public Company Limited (the "**Company**") has resolved in the Meeting No. 6/2017 on 12 December 2017, to approve its capital increase by Baht 60,000,000 from Baht 360,206,768 to Baht 420,206,768 by issuing and offering the newly-issued ordinary shares to the Company's existing shareholders in proportion to their respective shareholdings (Rights Offering). The details of the Rights Offering are as follows:

1. Details of the Offering

The Company offers 60,000,000 newly-issued ordinary shares with a par value of Baht 1.00 per share to the Company's existing shareholders in proportion to their respective shareholdings (Rights Offering) at the ratio of 6.0034461 existing shares to 1 newly-issued ordinary share, with the offering price of Baht 10.00 per share. The offering price is discounted from weighted average market price of the Company's stock in the period of 7 business days prior to the Board of Director' Meeting dated 12 December 2017, equaling to Baht 12.43, representing 19.55% discount from such weighted average market price.

The Company will allocate the shares to its shareholders in proportion to their respective shareholdings. In the event that there are fractions of shares after calculation, such fractions shall be disregarded. Additionally, shareholders can subscribe for the newly-issued ordinary shares in excess of their entitled rights (Oversubscription). Such shareholders will be entitled for oversubscribed shares allocation only if there are remaining share from shares allocation to existing shareholders according to their rights.

In the event that there are shares unsubscribed from the first round of allocation, the Company will re-allocate those unsubscribed shares to the shareholder who wishes to oversubscribe the shares exceeding their right in accordance with their shareholding ratio until all shares are fully subscribed, or until such remaining shares cannot be allocated due to fraction of shares. In this regard, the Company was notified by Mongkolsuthree Group¹, majority shareholders of the Company, that it intends to oversubscribe the newly issued ordinary shares exceeding their right in accordance with their shareholding ratio until all shares are fully subscribed.

The Company's authorized directors or any person(s) designated by the Company's authorized directors shall be empowered to consider, determine and modify other details which are necessary for and in relation to the allocation of the newly issued ordinary shares, including, but not limited to, the following: (a) allocating the newly issued ordinary shares, whether single or sequential allocations, payment of the share price, other conditions and details in connection with the allocation

¹Mongkolsuthree Group holds 41.35% of the Company's shares, i.e. Mongkolsuthree Holding Co., Ltd. (35.68%), Mr. Supant Mongkolsuthree (1.79%), Miss Sutida Mongkolsuthree (1.23%), Miss Siriwan Sukanjanasiri (0.74%), Mr. Jutiphan Mongkolsuthree (0.67%), Miss Saruta Mongkolsuthree (0.66%), and Miss Supansa Arayasakul (0.58%) (Information as at the latest book closing date, i.e. 21 August 2017 (Source: SETSMART))

of such newly issued ordinary shares; (b) entering into negotiation and, agreement and signing relevant documents and agreements, as well as undertaking any actions in connection with the allocation of such newly issued ordinary shares and (c) signing applications, waivers, and evidence which are necessary for and in relation to the allocation of such newly issued ordinary shares, including contacting and filing such applications, waivers, documents, and evidence with relevant governmental authorities or competent agencies, and listing the newly issued ordinary shares on the Stock Exchange of Thailand; and undertaking any other actions which are necessary for and in relation to the completion of the allocation of the newly issued ordinary shares.

The capital increase will proceed after receiving an approval from the Extraordinary General Meeting of Shareholders No. 1/2018 to be held on 15 February 2018, regarding the capital increase and the allocation of newly-issued shares of the Company. The Company determined the date for determining the names of shareholders entitled to subscribe and being allocated the newly issued ordinary shares (Record Date) on 23 February 2018 and the subscription date and the date of payment for the newly issued ordinary shares on 20-26 March 2018. In addition, the Company will utilize proceeds received from the issuance and allocation of the newly issued ordinary shares to the Company’s existing shareholders in proportion to their respective shareholdings (Rights Offering) for repayment of loan, which shall be borrowed from a financial institution to finance the tender offer for all securities in Thai British Security Printing Public Company Limited (“TBSP”) (as detailed in Clause 2). Therefore, shareholder approvals for the tender offer for all securities in TBSP and the increase of the Company’s registered capital and the issuance and allocation of the newly issued ordinary shares to the Company’s existing shareholders in proportion to their respective shareholdings (Rights Offering) are conditional upon one another. If any of the said matters is disapproved, the other matters that have been approved earlier shall be deemed to be cancelled and no other related matters shall be further proposed for consideration.

2. Objectives of the Capital Increase and Plan for Utilizing Proceeds

The Company will utilize the proceeds received from the capital increase to repay the loan that the Company borrowed from a financial institution to make a tender offer for all shares in TBSP as detailed in the Information Memorandum Re: Acquisition of Assets of T.K.S. Technologies Public Company Limited (Schedule 1) (Enclosure 1), and in the event that there are proceeds remaining from the repayment of the loan, it will be utilized for the Company’s working capital.

3. Effects to the Shareholders from the Rights Offering

3.1 Price Dilution

$\text{Price Dilution} = (\text{Market Price Before Offering} - \text{Market Price After Offering}) / \text{Market Price Before Offering}$
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Market Price Before Offering	= Weighted average price of the Company’s shares in the period of 7 business days prior to the Board of Directors’ Meeting dated 12 December 2017, that is between 29 November 2017 to 8 December 2017, equals to 12.43 per share (Source: SETSMART)
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Market Price After Offering	$= (\text{Market Price} \times \text{Existing Paid-up Shares}) + (\text{Offering Price} \times \text{Total Offering Shares}) / (\text{Existing Paid-up Shares} + \text{Total Offering Shares})$ $= (12.43 \times 360,206,768) + (10.00 \times 60,000,000) / (360,206,768 + 60,000,000)$ $= \text{Baht } 12.08 \text{ per share}$
Price Dilution	= 2.82 %

Hence, after the issuance and offering of newly-issued ordinary shares to existing shareholders in proportion to their respective shareholdings, if the subscription right is fully utilized, price dilution will be equal to 2.82%.

3.2 Earning per Share Dilution: EPS Dilution

$\text{EPS Dilution} = (\text{EPS Before Offering} - \text{EPS After Offering}) / \text{EPS Before Offering}$

EPS Before Offering	$= \text{Trailing 12 Months Net Profits}^{/1} / \text{Existing Paid-up Shares}$ $= 337,324,528.00 / 360,206,768$ $= \text{Baht } 0.9365 \text{ per share}$
EPS After Offering	$= \text{Trailing 12 Months Net Profits}^{/1} / (\text{Existing Paid-up Shares} + \text{Total Offering Shares})$ $= 337,324,528.00 / (360,206,768 + 60,000,000)$ $= \text{Baht } 0.8028 \text{ per share}$
EPS Dilution	= 14.28%

Remark: ^{/1} Trailing 12 Months Net Profits is net profits from 1 October 2016 to 30 September 2017

Hence, after the issuance and offering of newly-issued ordinary shares to its existing shareholders in proportion to their respective shareholdings, if the subscription right is fully utilized, EPS dilution will be equal to 14.28%.

3.3 Control Dilution

$\text{Control Dilution} = \text{Total Offering Shares} / (\text{Existing Paid-up Shares} + \text{Total Offering Shares})$
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After the issuance and offering of newly issued ordinary shares to the Company's existing shareholders in proportion to their respective shareholdings, there will be no control dilution in relation to the existing shareholders if each existing shareholder subscribes for the newly issued ordinary shares in full.

4. Opinion of the Board of Directors

Board of Directors Meeting has considered and opined on the capital increase in the matters as follows:

(1) Rationale and necessity for the capital increase

The Board of Directors opined that the Company needs to increase the capital in order to repay the loan that the Company borrowed from a financial institution to make a tender offer for all shares in TBSP. Additionally, the Board of Directors opined that the capital increase to allocate newly-issued ordinary shares to existing shareholders in proportion to their respective shareholdings (Rights Offering) can be implemented in short period of time under relatively low budget (compared to Private Placement or Public Offering methods), while every shareholder is granted his/her right to participate in the share subscription and to receive return altogether on the Company's future performance without any control dilution, given that every shareholder fully subscribes.

(2) Feasibility of the plan for utilizing the proceeds

The Company expects that the capital increase to allocate newly-issued ordinary shares to existing shareholders in proportion to their respective shareholdings to be finished within March 2018. The proceeds of such capital increase will be used to repay the short-term loan that the Company borrowed from a financial institution to make a tender offer for all shares in TBSP. The repayment of such loan shall not only improve the proportion of short-term interest bearing debt to long-term interest bearing debt to more suitable level, but also reduce interest burden of the Company. The remaining proceeds will be used for Company's working capital.

(3) Reasonableness of the capital increase, plan to utilize the proceeds, and projects to be operated, including sufficiency of the sources of funds

The issuance and offering of such newly-issued ordinary shares is reasonable because the Company plans to repay the loan that the Company borrowed from a financial institution, which will effectively reduce the Company's financial burden and strengthen the Company's financial position.

(4) Effect on the business operation, financial position, and company performance

The Board of Directors views that the proceeds derived from the capital increase will support the Company in debt repayment to a financial institution within the predetermined schedule. In addition, the proceeds will be utilized to reduce financial burden and strengthen financial position of the Company. This shall also strengthen the relationship between the Company and the financial institution whom the credit facilities lent by the Company, resulting in the enhancement in the Company's ability to achieve its goal and the increase in the Company's competent capability in the long term.

5. Warranty of Directors

The Board of Directors certifies that the Board of Directors has performed its duty with honesty and has carefully preserved the benefit of the Company in relation to such increase of the registered capital. However, in case that such performance of duty causes damage to the Company, the shareholders are entitled to file a lawsuit to claim for damages from such director on behalf of the Company as specified in section 85 of the Public Limited Companies Act B.E. 2535 (as amended). Moreover, in case that such performance of duty causes a director or his/her related person to obtain undue benefit, the shareholders shall be entitled to file a lawsuit to claim for such benefit from such director on behalf of the Company as specified in section 89/18 of the Securities and Exchange Act B.E. 2535 (as amended). By considering the fact and reason above, the Board of Directors has resolved to approve the capital increase agenda of the Company.

Please be informed accordingly.

Sincerely yours,

T.K.S. Technologies Public Company Limited

(Mr. Somkid Wekinvattanased)
Managing Director

Capital Increase Form
T.K.S. Technologies Public Company Limited
December 12, 2017 (Second Amendment)

We, T.K.S. Technologies Public Company Limited (the “**Company**”) would like to inform the resolutions of the Board of Directors’ Meeting No. 6/2560 held on December 12, 2017, during 10.00 h. to 13.00 h. in respect of the increase of the registered capital and the allocation of the newly issued ordinary shares as follows:

1. The increase of the registered capital

The Board of Directors’ Meeting No. 6/2017 passed a resolution approving the increase of the Company’s registered capital by Baht 60,000,000.00 from Baht 360,206,768.00 to Baht 420,206,768.00 by issuing 60,000,000 newly issued ordinary shares with a par value of Baht 1.00 per share, totaling Baht 60,000,000, detailed as follows:

Type of Capital Increase	Type of shares	Number of shares (shares)	Par value (Baht per share)	Total (Baht)
<input checked="" type="checkbox"/> Specific purpose of utilizing the proceeds	Ordinary share	60,000,000	1.00	60,000,000.00
<input type="checkbox"/> General Mandate	-	-	-	-

2. Allotment of new shares (Specific purpose of utilizing the proceeds)

2.1 Details of allotment

Allotted to	Type/Number (shares)	Ratio (Existing : New)	Sale price per share (Baht)	Date and time of subscription and share payment	Remark
The Company’s existing shareholders in proportion to their respective shareholdings (Rights Offering)	60,000,000	6.0034461:1	10.00	March 20, 2018 to March 26, 2018	Please see Remark 1

Remark 1. The Board of Directors’ Meeting No. 6/2017 resolved to approve the authorization of the Company’s authorized directors or any person(s) designated by the Company’s authorized directors to be empowered to consider, determine and modify other details which are necessary for and in relation to the allocation of the newly issued ordinary shares, including, but not limited to, the following: (a) allocating the newly issued ordinary shares, whether single or sequential allocations, payment of the share price, other conditions and details in connection with the allocation of such newly issued ordinary shares; (b) entering into negotiation and agreement, and signing relevant documents and agreements, as well as undertaking any actions in connection with the allocation of such newly issued ordinary shares; (c) signing applications, waivers, and evidence which are necessary for and in relation to the allocation of such newly issued ordinary shares, including contacting and filing such applications, waivers, documents,

and evidence with relevant governmental authorities or competent agencies, and listing the newly issued ordinary shares on the Stock Exchange of Thailand; and undertaking any other actions which are necessary for and in relation to the completion of the allocation of the newly issued ordinary shares.

In this regard, the Company determined the date for determining the names of shareholders entitled to subscribe and being allocated the newly issued ordinary shares (Record Date) on February 23, 2018.

2.2 Action to be taken by the Company when there are fractions of shares

In the event that there is any fraction of shares upon the allotment of shares to the existing shareholders in proportion to their respective shareholdings (Rights Offering), the fraction of shares shall be disregarded.

In the case where there are shares unsubscribed from the first round of allocation, the Company will re-allocate those unsubscribed shares to the shareholder who wishes to over subscribe the shares exceeding their right in accordance with their shareholding ratio until all shares are fully subscribed, or until such remaining shares cannot be allocated due to fraction of shares, or until none of the shareholders wishes to over subscribe for those unsubscribed shares.

3. Schedule for shareholders meeting to approve the capital increase and the allocation of the newly issued shares

The Company determined the date of the Extraordinary General Meeting No. 1/2018 on February 15, 2018 at 14.00 h. at Mongkolsuthree Meeting Room, located at 433 Sukontasawat Road, Lardprao Sub-district, Lardprao District, Bangkok 10230 and the date for determining the names of shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2018 (Record Date) on December 27, 2017.

4. Approval of the capital increase/share allotment by relevant governmental agency and related conditions

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

4.2 The Company will request the Stock Exchange of Thailand for approval for listing the newly issued ordinary shares on the Stock Exchange of Thailand.

5. Objectives of the Capital Increase and Plan for Utilizing Proceeds

The Company will utilize the proceeds received from the capital increase to repay the loan that the Company borrowed from a financial institution to make a tender offer for all securities in Thai British Security Printing Public Company Limited as (“TBSPP”) detailed in the Information Memorandum Re: Acquisition of Assets of T.K.S. Technologies Public Company Limited (Schedule 1) (Enclosure 1), and in the event that there are proceeds remaining from the repayment of the loan, it will be utilized for the Company’s working capital.

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

The proceeds received from the capital increase will be utilized for loan repayment under the conditions and period as required by the financial institution. This will reduce financial burden and strengthen financial position of the Company, as well as strengthen the relationship between the Company and the financial institution whom the credit facilities lent by the Company, resulting in the enhancement in the Company’s ability to achieve its goal and the increase in the Company’s competent capability in the long term.

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

7.1 Dividend policy

The Company has a policy of paying dividend at the rate of not less than 40 percent of the net profit after the corporate income tax according alone financial statements and after the legal reserves reduction, subject to the Company's performance, financial status, liquidity, investment plan, the need of working capital for use in business operation and expansion, and other factors in relation to the business operation of the Company as the Board of Directors and/or the shareholders deem it appropriate. However, there shall not have the cumulative losses in shareholder's equity.

7.2 Subscribers of new share issued for this capital increase will be entitled to receive dividends from the Company's business operations starting from

Subscriber of the newly issued ordinary shares shall be entitled to receive the dividend payment starting from the date of registration as a shareholder of the Company.

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

8.1 Price Dilution

$\text{Price Dilution} = (\text{Market Price Before Offering} - \text{Market Price After Offering}) / \text{Market Price Before Offering}$
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Whereas,

Market Price Before Offering	= Weighted average price of the Company's shares in the period of 7 business days prior to the Board of Directors' Meeting which was held on 12 December 2017, that is between 29 November 2017 to 8 December 2017, equals to 12.43 per share (Source: SETSMART)
Market Price After Offering	= (Market Price Before Offering x Existing Paid-up Shares) + (Offering Price x Total Offering Shares) / (Existing Paid-up Shares + Total Offering Shares) = (12.43 x 360,206,768) + (10.00 x 60,000,000) / (360,206,768 + 60,000,000) = Baht 12.08 per share
Price Dilution	= 2.82%

Hence, after the issuance and offering of newly issued ordinary shares to the Company's existing shareholders in proportion to their respective shareholdings, if the subscription right is fully utilized, price dilution will be equal to 2.82%.

8.2 Earnings per Share Dilution: EPS Dilution

$\text{EPS Dilution} = (\text{EPS Before Offering} - \text{EPS After Offering}) / \text{EPS Before Offering}$

Whereas

EPS Before Offering	= Trailing 12 Months Net Profits ¹ / Existing Paid-up Shares
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	= 337,324,528 / 360,206,768 = Baht 0.9365 per share
EPS After Offering	= Trailing 12 Months Net Profits ¹ / (Existing Paid-up Shares + Total Offering Shares) = 337,324,528.00 / (360,206,768 + 60,000,000) = Baht 0.8028 per share
EPS Dilution	= 14.28%

Remark:¹ Trailing 12 Months Net Profits is net profits from October 1, 2016 to September 30, 2017.

Hence, after the issuance and offering of newly issued ordinary shares to the Company's existing shareholders in proportion to their respective shareholdings, if the subscription right is fully utilized, EPS dilution will be equal to 14.28%.

8.3 Control Dilution

Control Dilution = Total Offering Shares / (Existing Paid-up Shares + Total Offering Shares)
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After the issuance and offering of newly issued ordinary shares to the Company's existing shareholders in proportion to their respective shareholdings, there will be no control dilution in relation to the existing shareholders if each existing shareholder subscribes for the newly issued ordinary shares in full.

8.4 Conditions Relating to the Increase of the Registered Capital

The Company will utilize proceeds received from the issuance and allocation of the newly issued ordinary shares to the Company's existing shareholders in proportion to their respective shareholdings (Rights Offering) for repayment of loan, which shall be borrowed from a financial institution to finance the tender offer for all securities in TBSP (as detailed in Clause 5). Therefore, shareholder approvals for the tender offer for all securities in TBSP and the increase of the Company's registered capital and the issuance and allocation of the newly issued ordinary shares to the Company's existing shareholders in proportion to their respective shareholdings (Rights Offering) are conditional upon one another. If any of the said matters is disapproved, the other matters that have been approved earlier shall be deemed to be cancelled and no other related matters shall be further proposed for consideration.

9. Schedule of action where the Board of Directors of the company passes a resolution approving the capital increase/ share allotment

No.	Procedure	Date/Month/Year
1.	The Board of Directors' Meeting No. 6/2017	December 12, 2017
2.	The date for determining the names of shareholders entitled to attend the Extraordinary General Meeting of Shareholders No.1/2018 (Record Date)	December 27, 2017
3.	The Extraordinary General Meeting of Shareholders No. 1/2018	February 15, 2018

No.	Procedure	Date/Month/Year
4.	Registration of capital increase with the Ministry of Commerce	Within 14 days from the date on which the shareholders' meeting approves the capital increase
5.	The date for determining the names of shareholders entitled to subscribe and being allocated the newly issued ordinary shares (Record Date)	February 23, 2018
6.	The subscription date and date of payment for the newly issued ordinary shares	March 20, 2018 to March 26, 2018

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

Please be informed accordingly

Sincerely yours,

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(Mr. Somkid Wekinvattanased)
Managing Director