

-Translation-

Ref. IR 62/005

March 13, 2019

Subject: Disclosure of the information regarding related party transaction(Additional Information)

To : President,
The Stock Exchange of Thailand

T.K.S. Technologies Public Company Limited (the "Company") has been granted the right to purchase the shares in Thai British Security Printing Public Company Limited ("TBSP") from Ms. Sutida Mongkolsuthree pursuant to the Right of First Refusal as disclosed in the Tender Offer (Form 247-4) of securities in TBSP dated February 27, 2018 as detailed in the Tender Offer

The Company has received the offer letter, dated March 7, 2019 by Ms. Sutida Mongkolsuthree (the "Seller"), for the Right of First Refusal of 2,200,000 shares with the offer price of THB 13.60 per share. Then The Board of Directors' meeting of the Company no. 2/2019 was held on March 13, 2019 had approved the Company to acquire shares of TBSP which is connected transaction from the Seller. Details of the transaction are presented as follows:

Transaction Date	After the approval from the Board of Directors In this regard, the Company and the Seller will expect that the completion of the transaction will take place within March 2019.
Related Parties and their Relationship with the Company	Purchaser: T.K.S. Technologies Public Company Limited Seller: Miss Sutida Mongkolsuthree <u>Relationship with the Company:</u> The Seller as is a person under Section 258 which is a major shareholder of the Company, holding 41.53% shares of the total paid-up shares of Company and also being a shareholder in TBSP, holding 17.80% of all shares in TBSP.
General Characteristic of the Transaction and Size of the Transaction	The transaction is the transaction relating to assets and services (Type 4) which is an acquisition of ordinary shares in TBSP (a subsidiary of the Company and the Company is the major shareholder holding 77.74% shares in TBSP) in the total numbers of 2,200,000 shares or equivalent to 2.0%. After the transaction, the Company shall hold totaling 79.74% shares in TBSP <u>Operating Business of TBSP</u> TBSP engages in manufacturing and printing of security documents such as cheque, business form or plastic card.

<p>Financial Information of the Company and TBSP</p>	<p>Set out below are financial information of the Company and TBSP.</p> <table border="1" data-bbox="488 297 1366 958"> <thead> <tr> <th data-bbox="488 297 951 387">Financial Information (Unit : THB Million)</th> <th data-bbox="951 297 1206 387">The Company¹</th> <th data-bbox="1206 297 1366 387">TBSP²</th> </tr> </thead> <tbody> <tr> <td data-bbox="488 387 951 432">Total asset</td> <td data-bbox="951 387 1206 432">4,094.43</td> <td data-bbox="1206 387 1366 432">1,198.19</td> </tr> <tr> <td data-bbox="488 432 951 477">Deduct intangible assets:</td> <td data-bbox="951 432 1206 477"></td> <td data-bbox="1206 432 1366 477"></td> </tr> <tr> <td data-bbox="488 477 951 521">- Goodwill</td> <td data-bbox="951 477 1206 521">(490.07)</td> <td data-bbox="1206 477 1366 521"></td> </tr> <tr> <td data-bbox="488 521 951 566">- Other intangible assets</td> <td data-bbox="951 521 1206 566">(75.42)</td> <td data-bbox="1206 521 1366 566">(34.97)</td> </tr> <tr> <td data-bbox="488 566 951 611">- Deferred Tax</td> <td data-bbox="951 566 1206 611">(31.76)</td> <td data-bbox="1206 566 1366 611">(14.39)</td> </tr> <tr> <td data-bbox="488 611 951 656">Total intangible assets</td> <td data-bbox="951 611 1206 656">(597.25)</td> <td data-bbox="1206 611 1366 656">(49.35)</td> </tr> <tr> <td data-bbox="488 656 951 701">Deduct total liabilities</td> <td data-bbox="951 656 1206 701">(1,432.82)</td> <td data-bbox="1206 656 1366 701">(618.21)</td> </tr> <tr> <td data-bbox="488 701 951 745">Deduct non-controlling interests</td> <td data-bbox="951 701 1206 745">(168.38)</td> <td data-bbox="1206 701 1366 745">-</td> </tr> <tr> <td data-bbox="488 745 951 790">Net Tangible Asset (NTA)</td> <td data-bbox="951 745 1206 790">1,895.98</td> <td data-bbox="1206 745 1366 790">530.63</td> </tr> <tr> <td data-bbox="488 790 951 835">0.03 % of NTA</td> <td data-bbox="951 790 1206 835">0.57</td> <td data-bbox="1206 790 1366 835">0.16</td> </tr> <tr> <td data-bbox="488 835 951 880">More than 3 % of NTA</td> <td data-bbox="951 835 1206 880">56.88</td> <td data-bbox="1206 835 1366 880">15.92</td> </tr> </tbody> </table> <p data-bbox="488 992 552 1014">*Note:</p> <p data-bbox="488 1037 1391 1070">¹ The consolidated financial statement of the Company as of December 31, 2018</p> <p data-bbox="488 1081 1318 1115">² The consolidated financial statement of TBSP as of December 31, 2018</p>	Financial Information (Unit : THB Million)	The Company ¹	TBSP ²	Total asset	4,094.43	1,198.19	Deduct intangible assets:			- Goodwill	(490.07)		- Other intangible assets	(75.42)	(34.97)	- Deferred Tax	(31.76)	(14.39)	Total intangible assets	(597.25)	(49.35)	Deduct total liabilities	(1,432.82)	(618.21)	Deduct non-controlling interests	(168.38)	-	Net Tangible Asset (NTA)	1,895.98	530.63	0.03 % of NTA	0.57	0.16	More than 3 % of NTA	56.88	15.92
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<p>Consideration of the transaction</p>	<p>Consideration of the transaction (the total purchase price) is THB 29,920,000. Consideration is based on the Right of First Refusal Letter provided by the Seller.</p>																																				
<p>Criteria for determining the size of the related party transaction.</p>	<p>The Company considers the size of the transaction as follows:</p> <ol style="list-style-type: none"> <li data-bbox="536 1305 1391 1507">a. By considering the consideration of the transaction (the total purchase price) The purchase price per share specified in the Right of First Refusal Letter is THB 13.60 per share. The total purchase price is THB 29,920,000. <li data-bbox="536 1529 1391 1664">b. By considering the book value The book value per share is THB 13.26. The total value of the shares is THB 29,180,000. <li data-bbox="536 1686 1391 1944">c. By considering the market value The market value considered by the average trading price 15 working days past transactions of THB 14.09 per share and assessed by the Discounted Cash Flow Approach by an independent appraisal of THB 13.89 per share. The total market value is THB 30,560,000. 																																				

	<p>In this regard, refer to criteria of a., based on the NTA of the Company as of December 31, 2018, 0.03% of the NTA is equivalent to THB 0.57 million and 3% of the NTA is equivalent to THB 56.68 million. Given that the transaction value is THB 29.92 million, the transaction is therefore considered as a medium size transaction which is more than THB 1 million but less than THB 20 million or more than 0.03% but less than 3% of the NTA. The Company is therefore required an approval from the board of directors of the Company and disclose relevant information with the Stock Exchange of Thailand. However, the Company is not required an approval from the shareholders' meeting.</p>															
<p>Criteria for calculation of the transaction regarding acquisition and disposal of the assets</p>	<p>The transaction is an acquisition of shares in TBSP and is considered as the asset acquisition under the Capital Market Supervisory Board Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets. The Company is therefore required to calculate the size of the transaction in accordance with the aforementioned rule.</p> <table border="1" data-bbox="485 913 1366 1998"> <thead> <tr> <th data-bbox="485 913 778 958">Criteria</th> <th data-bbox="778 913 1083 958">Calculation Formula</th> <th data-bbox="1083 913 1366 958">Size</th> </tr> </thead> <tbody> <tr> <td data-bbox="485 958 778 1223">Net Tangible Asset</td> <td data-bbox="778 958 1083 1223"> $\frac{\text{NTA of acquired asset} \times \text{acquired portion} \times 100}{\text{NTA of the Company}} = \frac{(530,631,442 \times 0.02) \times 100}{1,895,979,105}$ </td> <td data-bbox="1083 958 1366 1223">0.56%</td> </tr> <tr> <td data-bbox="485 1223 778 1429">Total value of consideration</td> <td data-bbox="778 1223 1083 1429"> $\frac{\text{Value of consideration} \times 100}{\text{Total assets of the Company}} = \frac{(29,920,000 \times 100)}{4,094,433,133}$ </td> <td data-bbox="1083 1223 1366 1429">0.73%</td> </tr> <tr> <td data-bbox="485 1429 778 1742">Net profit</td> <td data-bbox="778 1429 1083 1742"> $\frac{\text{Net profit of acquired assets} \times \text{acquired portion} \times 100}{\text{Net profit of the Company}} = \frac{(3,090,071 \times 0.02) \times 100}{322,841,348}$ </td> <td data-bbox="1083 1429 1366 1742">0.02%</td> </tr> <tr> <td data-bbox="485 1742 778 1998">Value of securities issued by the Company is consideration of asset acquisition</td> <td data-bbox="778 1742 1083 1998">(No. of shares issued in consideration of asset acquisition x 100)/ No. of issued and paid-up shares of the Company</td> <td data-bbox="1083 1742 1366 1998">N/A due to the Company will pay the consideration in a form of cash</td> </tr> </tbody> </table>	Criteria	Calculation Formula	Size	Net Tangible Asset	$\frac{\text{NTA of acquired asset} \times \text{acquired portion} \times 100}{\text{NTA of the Company}} = \frac{(530,631,442 \times 0.02) \times 100}{1,895,979,105}$	0.56%	Total value of consideration	$\frac{\text{Value of consideration} \times 100}{\text{Total assets of the Company}} = \frac{(29,920,000 \times 100)}{4,094,433,133}$	0.73%	Net profit	$\frac{\text{Net profit of acquired assets} \times \text{acquired portion} \times 100}{\text{Net profit of the Company}} = \frac{(3,090,071 \times 0.02) \times 100}{322,841,348}$	0.02%	Value of securities issued by the Company is consideration of asset acquisition	(No. of shares issued in consideration of asset acquisition x 100)/ No. of issued and paid-up shares of the Company	N/A due to the Company will pay the consideration in a form of cash
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	According to the above calculations, the maximum transaction value is 0.73% (in accordance with the total value of consideration), the Company is therefore not required to request an approval from the shareholders' meeting of the Company.
Characteristic of the Related Parties of the Company	The Seller is a shareholder holding 4.46% of the total shares in the Company and being a director of TBSP
Source of Funds	The Company will enter into the transaction by using a loan from a financial institution. However, usage of the loan is not affect to the Company's liquidity or its business operation.
Names of directors having the interest and/or directors who are connected persons, and had not attended the meeting and had no voting right	None
Opinion of the Board of Directors on the entering into of the transaction	The board resolved to approval the Company to enter into the acquisition of TBSP's shares as the board views that the purchase price of the acquired shares is lower than the market value and will gain benefits for the Company.
Opinion of the Audit Committee and/or directors which are different from the opinion of the Board of Directors	None of the Company's audit committee or director has a different view from the board of the directors.

The Company hereby certifies that the information contained in this letter is true and correct.

Please be informed accordingly

Sincerely yours,

T.K.S Technologies Public Company Limited

-Signed-

Mr.Somkid Wekinvattanased

Managing Director