

Information Memorandum

Regarding the Acquisition and Disposal of Assets

The Board of Directors meeting of Cal-Comp Electronics (Thailand) Company Limited (“**CCET**” or “**Company**”) No. 3/2020 held on May 12, 2020 has resolved to approve the Company’s subsidiary, Cal-Comp Precision Holding Co., Ltd.’s (“**CCPT-KY**”) initial public offering plan (the “**IPO Plan**”) to be listed in the Taiwan Stock Exchange Market (“**TWSE**”) and the offering of Over-allotment option by the Company for the purpose of supporting future business expansion domestically and internationally as well as for the purposes of overall competitiveness in financial management accordingly. The Company will remain as the major and controlling shareholder of CCPT-KY after IPO.

Accordingly, CCPT-KY intends to newly issue and offer not exceeds 23,500,000 ordinary shares (or approximately equivalent to 29.38% of total paid-up capital after the IPO Plan) to the public for the purpose of IPO Plan in TWSE. In addition, the Company will provide not more than 15% of IPO issuance size or equivalent 3,525,000 existing shareholding from the Company in CCPT-KY for the purpose of Over-allotment practice (“**Optional Shares**”) during the underwriting period to implement the price stabilization operation after being listed on the Taiwan Stock Exchange. Furthermore, the newly issued CCPT-KY’s ordinary shares will be for the IPO Plan purpose, therefore, the Company will waived its subscription right in accordance with the Taiwan Stock Exchange’s regulation and believed the IPO price of CCPT-KY will be the result of an open auction and does not harm the rights and interests of the original shareholders of the Company, therefore, has also approved to exempt the offering of CCPT-KY’s newly issuance IPO shares to the Company’s shareholders. The Board has also approved and authorized the Chairman to final the relevant details, documentations, and/or actions for Over-allotment Agreement and/or CCPT-KY IPO Plan as deem appropriate.

The IPO Plan and the Optional Shares will dilute the Company’s shareholding in CCPT-KY therefore shall be considered as a disposition of assets of a listed company according to the Notification of Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules for entering into a substantial transaction classified as an acquisition or disposal of assets, dated August 31, 2008 (as amended) and Notification of Stock Exchange of Thailand Board Re: Disclosure of information and required practice for listed company relating to acquisition or disposal of assets, dated October 29, 2004 (collectively called the “**Acquisition and Disposal Notifications**”). When consider the transaction size pursuant to the Acquisition and Disposal Notifications, the size of the IPO Plan together with Optional Shares (calculated as if Optional Shares fully exercised and disposed) 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, 2020 which equals to 32.52% and is therefore considered as Class 2 transaction (transaction with a total value of at least 15 % or higher but lower than 50 %) according to the Acquisition or Disposal of Assets Notifications. Therefore, the Company is required to immediately prepare a report and disclose the information memorandum to the Stock Exchange of Thailand (the “**SET**”) as well as to its shareholders within 21 days from the disclosure to the SET and details of the information memorandum are as the following:

1. Date of entering into the Transaction

The issuance and offering of the newly issued ordinary shares of CCPT-KY under the IPO Plan and the listing of CCPT-KY on the TWSE together with the offering of Optional Shares by the Company (collectively called the “**Transaction**”) will take place after CCPT-KY has obtained approval from the TWSE for the initial public offering. The Transaction is expected to be completed by the first quarter of FY2021.

2. Parties Involved and Relationship With the Company

The Offeror : (1) Cal-Comp Precision Holding Co., Ltd. (“**CCPT-KY**”), a subsidiary in which 95% of the outstanding shares are held by the Company, and
(2) The Company

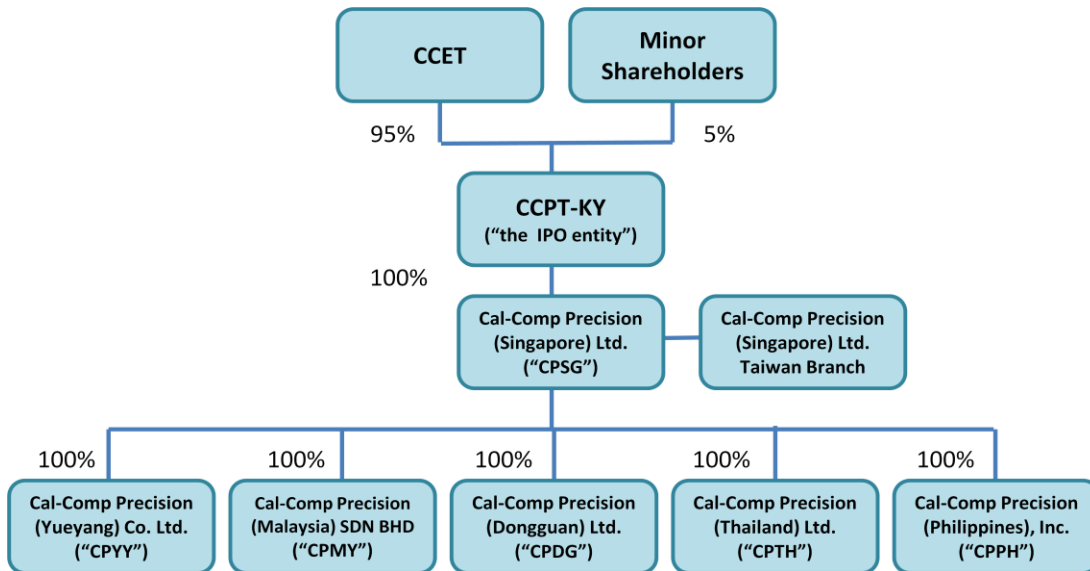
The Buyer : General public

3. General Characteristic of the Transaction and Value of transaction

The Board of Directors Meeting of the Company No.3/2020, held on May 12, 2020, resolved to approve the intention of CCPT-KY’s IPO Plan and the Over-allotment option (or Optional Shares). The portion of newly issuance shares to be offered for sale in the IPO is fixed at not exceed than 23,500,000 ordinary shares or equivalent to 29.38 % of the CCPT-KY’s total paid-up capital after its capital increase. CCPT-KY will be remained as the Company’s subsidiary, and the Company will maintain its shareholding of not less than 62.68 % of CCPT-KY’s total paid-up capital after its capital increase. The Board also resolved the offering of the Company’s existing shareholding in CCPT-KY of not exceed 15 % of the IPO issuance size (or equivalent to 3,525,000 ordinary shares) for the over-allotment purpose. The Company’s board of director has authorized Chairman to final the relevant details, documentations and actions as deem appropriate.

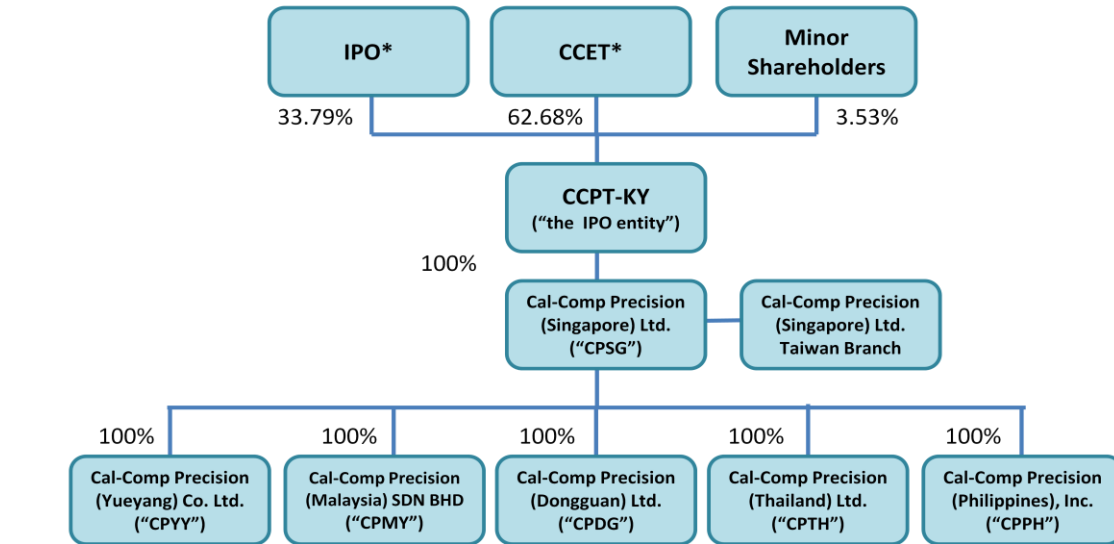
The shareholding structure of pre-IPO and post-IPO shall be as below:

The shareholding structure before IPO



The shareholding structure after IPO

*(*assuming the Optional Shares is fully exercised)*



The Transaction is classified as an asset disposal transaction under the Acquisition and Disposition Notifications, whereby the transaction size is calculated by using the latest reviewed consolidated financial statement ended March 31, 2020. The details of the transaction size (as if IPO Plan and Optional Shares fully exercised and disposed) are as the following;

Unit: M USD				
Key Financial Information used in M&A calculation criteria	The Company Consolidated FS Ended March 31, 2020	CCPT-KY		
		Reviewed FS Ended March 31, 2020	Audited FS FY2019	Audited FS FY2018
Total Assets	1,835	235	233	197
Intangible Assets	12	2	2	2
Total Liabilities	1,320	143	145	124
Total Shareholder's Equity	514	93	88	73
Net Tangible Asset ("NTA")	496	91	86	70
Net Profit (Loss)	4.01	6	12	3
Net Profit (Loss) (12-month period backward)	13.82 (8.06+7.37+(5.62)+4.01)	13 (3.43+3.36+1.12+5.39)	12	3
Non-Controlling Interests	5.14	NA	NA	NA
Par Value	Baht 1	NTD 10	NTD 10	NTD 10
Book Value Per Share	USD 0.113	USD 1.64	USD 1.56	USD 1.29

Criteria	Transaction Size (%)
1. Net Tangible Assets Value $\frac{(91,028,000 * 33.79\%) * 100}{495,863,000}$	6.20%
2. Net Profit (12-month period) $\frac{(13,299,000 * 33.79\%) * 100}{13,815,578}$	32.52%
3. Total Value of Consideration $\frac{(1.64 * (23,500,000 + 3,525,000)) * 100}{1,834,540,000}$	2.42%
4. Value of Issued Equity (Equity shares issued for the payment of assets)*100/Paid-up shares of CCET	NA

Based on the 12-month period as at March 31, 2020, CCPT-KY' Sales revenue, as in whole, is accounted for 8.50% of the Company's consolidated financial statement and its net profit, as in whole, is accounted for 96.26% of the Company's consolidated financial statement.

When consider the assets disposition derived from the IPO Plan & the Over-allotment option (calculated as if it been fully exercised and disposed), 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 32.52%. As a result, the Transaction is classified as Class 2 Transaction pursuant to the Acquisition and Disposal Notifications.

4. Details of Assets to be Disposed

4.1. Details of the IPO Plan

Issuer and Offeror	: 1. Cal-Comp Precision Holding Co., Ltd. (the “CCPT-KY”) 2. The Company
Types of securities offered for sale	: 1. Newly issued ordinary shares of CCPT-KY 2. Ordinary shares held by the Company CCPT-KY will issue and offer newly issuance of ordinary shares for the initial public offering in TWSE, and the Company will offer a portion of its existing shares as the Optional Shares for the over-allotment purpose which shall not exceed 15 % of IPO issuance size.
Number of shares newly issued Ordinary shares offered	: Not exceed 23,500,000 ordinary shares or equivalent to 29.38 % of the total paid-up capital of CCPT-KY after the IPO.
Par Value	: NTD 10 per share
Offering Price	: The Offering price has not yet been determined. The offering price shall be subject to the auction and lottery method following the TWSE regulation.
Offering Period	: After CCPT-KY obtains the approval for the IPO Plan from the TWSE, and the effectiveness of the prospectus. The offering period is expected to be in the first quarter of FY2021.
Other details	: The Company will notify its shareholders of the details about the IPO Plan by CCPT-KY, which are subject to change as considered appropriate by the Company’s board of directors or its designated person.

4.2. Details about the CCPT-KY

- Name of the business : Cal-Comp Precision Holding Co., Ltd. (the “CCPT-KY”)
- Head office address : The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Island
- Nature of business : plastic injection and molding
- Capital structure : As of 31 March 2020, CCPT-KY has **total outstanding paid-up** capital of NTD 565 million, divided into 56.5 million shares with the par value of NTD 10 each. As of 31 March 2020, the Company’s shareholding in CCPT-KY accounted for 95%. **The remaining of 5% outstanding paid-up capital of CCPT-KY are all held by natural persons, in which, 3.75% are held by non-related persons and 1.25% are held by 3 related persons who are also the Company’s board of directors and/or management which includes Mr. Shen, Shyh-Yong , Mr. Khongsit Choukitcharoen, and Mr. Wang, Wei-Chao whom held 500,0 00 shares, 125,000 shares and 80,000 shares respectively**
- Board of Directors of CCPT-KY : 1. Mr. Shen, Shyh-Yong
2. Mr. Khongsit Choukitcharoen
3. Mr. Huang, Kuan-Jen
4. Mr. Wang, Chia-Ching
5. Ms. Chan, Ting-I
6. Ms. Ho, Shu-Min
7. Mr. Huang, Chun-Ching

Key Financial Information	CCPT-KY			
	Q1/FY2020 Reviewed FS Ended March 31, 2020	Audited FS FY2019	Audited FS FY2018	Audited FS FY2017
	M USD	M USD	M USD	M USD
Revenue	46	213	170	141
Gross Profit	4	21	9	6
S&A	3	7	6	6
Net Profit (Loss)	6	12	3	0.34

Total Assets	235	233	197	167
AR	32	33	28	26
Total Liabilities	143	145	124	93
AP	26	27	25	28
Total Shareholder's Equity	93	88	73	74

5. Total Value of Consideration

The offering price for the newly issued ordinary shares of CCPT-KY in the IPO together with the Optional Shares offered by the Company has not yet been determined and is subject to auction and lottery method following the TWSE regulation in Taiwan. Therefore, the initial calculation of the total value of aforementioned asset disposition has applied the book value of shares of CCPT-KY as detailed in Clause 3 above, which equivalent to NTD 1,342.71 million.

6. Basis to Determine the Value of Consideration

Currently, the offering price of ordinary shares in the IPO is not yet determined.

7. Expected benefit of the Transaction

The Company believes the Transaction would enhance the Company and its subsidiary CCPT-KY in aspect of the followings;

- The Company will be able to reduce the financial burden to provide capital support as CCPT-KY will be able to generate the funds independently through the IPO as well as through other financial instruments after the listing.
- The Company would be able to enhance its company group's business structure by clearly separate the precision business and would have more efficiency in business decision both for the Company and the CCPT-KY.
- After the listing of CCPT-KY, the value of the shares of CCPT-KY will reflect the actual value and the added value of the Company's precision business, which will be at a higher value as if operates under the Company. Accordingly, the Company can recognize the true business value of CCPT-KY in terms of fair value and in terms of capital gains in case of divestment of its equity portion in CCPT-KY.
- At the same time, CCPT-KY will have access to additional funds resource for its business expansion and satisfy its internal working capital requirements.

- In addition, the listing would strengthen and enhance a more sound cooperate image for both the Company and CCPT-KY.
- CCPT-KY would be able to attract and to recruit more professional and skilled personnel and to create a more competitive work place among other competitors.

8. Plan to utilize the proceeds from the IPO Plan

CCPT-KY plans to use the proceeds from the IPO as follows:

- To be used for factory expansion, investment in machine and equipment in order to increase production capacity for the potential customers in the following years.
- To be used as the company’s working capital

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 is reasonable and is beneficial to the Company and its shareholders as it will enhance the strength of the Company and CCPT-KY, gain more access of fund resources to support business expansions as well as adding value to the Company’s investment in CCPT-KY to create maximum benefit for the Company group.

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. Shen, Shyh-Yong	a shareholder of CCPT-KY
b) Mr. Khongsit Choukitcharoen	a shareholder of CCPT-KY

10. Opinion of the Company’s Audit Committee or directors of the Company that are different from those of the board of directors under Clause 9

-None-