

KCE 005/2022

November 8, 2022

The Director and Manager

The Stock Exchange of Thailand

Re: Notification of the resolution of the Board concerning the Asset Acquisition
Investment in a new PCB Factory Project at Rojana Industrial Park, Ayutthaya Province

The Board of Directors' meeting of KCE Electronics Public Company Limited ("the Company") number 11/2022 held on November 8, 2022, passed a resolution approving the acquisition of assets for investment in a new factory and machinery for PCB manufacturing project. The new factory with a capacity of 1 million sq. ft/ month will be located at Rojana Industrial Park, Ayutthaya province on the land owned by the Company. Total investment of this new Rojana project is estimated amount THB 8,060 million.

In entering into this transaction, the Company considers as acquisition of assets according to the Notification of the Capital Market Supervisory Board No. TorChor 20/2551 "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 (SET), "Disclosure of Information and other Acts of Listed Companies concerning the Acquisition and Disposition of Assets B.E.2547 (Notification of Acquisition or Disposition of Assets)". The highest transaction size is valued at 37.24% of the Company's total assets, according to the Company's consolidated financial statement as at September 30, 2022 (which is the highest transaction size according to the 3rd calculation method, using the "Total Value of Consideration" basis, compares to total assets of the Company and its Subsidiaries), which is categorized as Type 2 according to the Notification of Acquisition or Disposition of Assets for the transaction that higher than 15% but less than 50% of total assets and the Company has no other transaction during the past 6 months before entering into this transaction. Therefore, the Company shall proceed the disclosure report of this transaction to the Stock Exchange of Thailand and send the circular notice to shareholders within 21 days from the day that the Company has notified the Stock Exchange of Thailand. This transaction is not the connected transactions according to the notification of the Board of Governors of the Stock Exchange of Thailand concerning the connected transactions.

The Company has the pleasure of submitting the disclosure of information concerning the Acquisition of Assets as below.



Information memorandum regarding the Asset Acquisition
of
Investment in a new PCB Factory Project at Rojana Industrial Park, Ayutthaya Province

1. The date, month and year entering the transaction

The Company will enter into the transaction after the Board passed a resolution approving the acquisition of assets in the Board of Directors' Meeting No. 11/2022 on November 8, 2022.

2. The parties of contract and the relationship with the Company

- Building construction and facility system

Employer: KCE Electronics Public Company Limited

Contractor: Under the selection process

Relationship between Employer and Contractor: Not a connected person with the Company

- Machine, equipment and manufacturing support equipment

Buyer: KCE Electronics Public Company Limited

Seller: Companies that sell machine and equipment in their normal business affairs and most of the sellers are in overseas countries

Relationship between Buyer and Seller: Not a connected person with the Company

3. General Information, Value and Size of the Transactions

The value of the investment project of a PCB plant construction, including the installation of facilities system, together with the value of machine, equipment, manufacturing support equipment, tools and fixtures and other expenses, total value approximately THB 8,060 million or equal to 37.24% of the Company's total assets, according to the Company's consolidated financial statement.

This transaction is deemed an Acquisition of Assets according to the Notification of the Acquisition or Disposition of Assets. The highest transaction size is valued at 37.24% of the Company's total assets, according to the Company's consolidated financial statement as at September 30, 2022 (which is the highest transaction size according to the 3rd calculation method, using the "Total Value of Consideration" basis, compares to total assets of the Company and its Subsidiaries), which is categorized as Type 2 according to the Notification of Acquisition or Disposition of Assets for the transaction that higher than 15% but less than 50% of total assets and the Company has no other transaction during the past 6 months before entering into this transaction. Therefore, the Company shall proceed the disclosure report of this transaction to the Stock Exchange of Thailand and send the circular notice to shareholders within 21 days from the day that the Company has notified the Stock Exchange of Thailand. This transaction is not the connected transactions



according to the Notification of Capital Market Supervisory Board No. TorChor 21/2551, "Rules on Connected Transactions", and the Notification of the Board of Governors of the Stock Exchange of Thailand, "Disclosure of Information Concerning Connected Transactions B.E. 2546".

Transaction size is as follows:

The value of transaction size is THB 8,060 million. The Company's total assets THB 21,641 million, according to the Company's consolidated financial statement as at September 30, 2022. The calculation method, using the total Value of Consideration is as follows:

$$\frac{\text{Total value of consideration X 100}}{\text{Total assets of the Company}} = \frac{\text{THB 8,060 million X 100}}{\text{THB 21,641 million}} = 37.24\%$$

(According to the consolidate financial statements reviewed by certified public accountant on September 30, 2022)

4. Details of the Project

The purpose of the investment project of the Company's new factory is to expand the capacity of PCB production, in order to support an increase in customer orders at present and as forecast in the future. The plant will be built on a 67-2-91 Rai of the Company owned land (Title Deed No. 14590,14591, 32134) located at the Rojana Industrial Park, Ayutthaya Province.

The new factory will have a production capacity of 1 million sq.ft/month whereas an additional investment in machine will be considered in the future follow the suitable market situation. The plant construction and the installation of machines will be completed in about 18-20 months and it is expected that the operations will start in the third quarter of 2024

5. Total value of the consideration in acquiring the assets

Total estimate Value of the new Rojana factory is THB 8,060 million which consisted of

1. Factory Building and facility system – THB 4,290 million

Term: Advance payment according to the contract agreement and the installment payment according to the progress of work.

2. Machinery and manufacturing support equipment – THB 3,770 million

Term: Credit term 60 – 120 days from suppliers

6. Total value of this Acquisition of Assets and the method to determine the transaction value

The total value of the investment in the new plant is approximately THB 8,060 million includes:

- a) Design, civil work, construction cost THB 3,413 million

b) Installation of facility system and waste water treatment	THB 717 million
c) External area works	THB 160 million
d) Machinery and manufacturing support equipment	THB 3,770 million
Total value of the consideration in acquiring the assets	THB <u>8,060</u> million

The value is the agreed upon price between the parties, the seller and the buyer, who are not related or connected parties, according to the Notification of the Capital Market Supervisory Board No. TorChor 21/2551, "Rules on Connected Transactions", and the Notification of the SET, "Disclosure of Information Concerning Connected Transactions B.E. 2546".

7. Expected benefits of the investment

- Additional production capacity of 1.0 million sq.ft/month, expand from the current 2.1 million sq.ft/month at Lat Krabang Factory, in order to support the increasing demand of customers which continue growth including the high potential growth of Automotive Sector.

- Increase production efficiency through the investment in new and high technology including the automation for higher production efficiency, reduce cost of labour and also improve production cost management.

- To be eligible for the investment promotion by the Board of Investment Thailand and get exemption of corporate tax and other benefits.

8. Source of fund

- Cash from operation estimate at 25%
- Loan from Financial Institutes estimate at 75%, withdraw according to the progress of construction work.

9. Condition on entering into the transaction

The aforementioned transaction is classified as Type "2" according to the transaction size calculation method, according to the Notification of the Capital Market Supervisory Board No. TorChor 20/2551 "Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets", dated August 31, 2008. The Notification of the SET, "Disclosure of Information Concerning the Acquisition and Disposition of Assets of Listed Companies B.E.2547", dated October 29, 2004, requires that the Company discloses information concerning the Acquisition of Assets to the Stock Exchange of Thailand (SET) and send the circular notice to shareholders within 21 days from the day that the Company has notified SET.

10. Board of Directors' opinion regarding entering the transaction

The Board of Directors has passed a resolution approving the entering into the transaction for the Acquisition of Assets for the new plant project. As the investment for new capacity will enhance the Company's business potential in the long term and will bring the best benefits to the Company and shareholders.

11. Different Opinion of Audit Committee and/or the Company Director from the Board's in item No.10

-None-

The Company certifies that this information is true in all respects and already passed the Company Board of Director Approval from Board of Director Meeting No.11/2022 on November 8, 2022.

Please be informed accordingly.



(Mrs. Voraluksana Ongkosit)
Executive Vice Chairperson

