

(Enclosure 1)

(Translation)

**Minutes of the 2014 Annual General Meeting of Shareholders (No. 31/2014) of  
KCE Electronics Public Company Limited**

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Date, time and meeting place

The 2014 Annual General Meeting of Shareholders (the Meeting) took place on Tuesday, April 29, 2014 at 15.00 hours, in Ballroom, 3<sup>rd</sup> Floor, The Grand FourWings Convention Hotel, 333 Srinakarin Road, Huamark, Bangkok, Bangkok

Before the Meeting

KCE Electronics Public Company Limited (KCE) invited the hotel's safety officer to present safety instructions for use if an emergency arose during the Meeting.

The Company Secretary, Mrs. Tanyarat Tessalee, as Secretary of the Meeting, welcomed shareholders and proxies who were present at the Meeting and clarified the right and vote casting procedure and the number of votes required to pass a Meeting resolution for each agenda item, in line with best practice for managing a shareholders' meeting.

- At the registration point, shareholders received one set of ballot papers. Each ballot paper showed the shareholder's name, the proxy's name and the number of shares held. An agenda item number printed on the top right-hand corner of each ballot paper would ensure that shareholders used the right ballot paper for each agenda item. The Company would record the votes cast by using a bar code system.
- The number of votes a shareholder cast equals the number of shares he/she or the proxy grantor held: one share equals one vote. A shareholder can cast the total number of their votes of "approved", "disapproved" or "abstention" for each agenda item.
- Shareholders/proxies cast their votes by marking and signing the relevant ballot paper. To expedite counting of votes, the officer would collect only the ballot papers marked "disapproved" or "abstention", except for agenda item 5 and 6 to elect directors, when the ballot papers of individual directors casting their votes would be collected by an officer irrespective of the vote cast.
- Only the "disapproved" and "abstention" votes would be counted for each agenda item, the result being deducted from the total number of votes of shareholders present at the Meeting, with the rest considered approval of the agenda item. The result of the votes cast would appear on the screen located in the front of the meeting room.

- Before casting a vote for each agenda item, the Chairman would allow shareholders to ask questions relevant to that agenda item.
- Where shareholders had granted a proxy to a person to attend the Meeting and to cast a vote in accordance with the grantor's instructions, the Company had already recorded the vote instructed in the bar code system for each agenda item.
- Shareholders/proxies who wished to leave the Meeting before its conclusion could cast votes in advance and leave the relevant ballot papers for the remaining agenda items with the officer at the exit.
- In the event that Shareholders/proxies did not return the ballot paper marked "disapproved" and "abstention" to the officer before the Chairman had closed each agenda, the vote would be regarded as "approved".
- Invalid ballots that would be considered null and void;
  1. The ballot papers with more than one mark (except for voting by the Custodian in Thailand)
  2. The ballot papers that have a correction or crossed-out mark without a signature
  3. The ballot papers that have completely crossed out
  4. The damaged ballot papers that cannot conclude the vote
- The Meeting resolution: In general, if the majority of the votes cast is for approval and in accordance with the Company's Articles of Association regarding voting, it would be deemed that the Meeting had passed a resolution approving that agenda item. If a law or regulation determined a different system be used, the Chairman would notify shareholders before they cast their votes for the relevant agenda item.
- Asking questions/ Proposing a suggestion: During the Meeting, shareholders who wished to ask questions or make a suggestion were requested to raise their hands for chairman's permission. For the minutes, the shareholder/proxy was requested to state his/her name, surname and whether a shareholder or proxy before asking the question or proposing any suggestions. To keep the Meeting efficient, shareholders should keep their views or questions concise and to the point and being relevant to that particular agenda item. Should there is any other matters; shareholders should bring up in the last session after the last agenda item.
- After the Meeting, the Company would collect all ballot papers from shareholders as evidence for checking the votes cast.

The Secretary of the Meeting informed that in compliance with best practice in respect of the shareholders' right, the Company provided the minor shareholders with an opportunity to propose in advance agenda items, as well as the qualified candidates to be nominated for election of the Board of Directors for the 2014 annual shareholders' meeting. The information was announced on the Company's website and SET portal system between October 31, 2013 and January 15, 2014, however, there was no shareholders' proposal submitted in advance.

Following the vote casting and the vote counting procedures were thoroughly clarified, the Secretary of the Meeting reported the agenda items for the Meeting's approval, according to the Notice of the 2014 Annual General Meeting of Shareholders. The Secretary of the Meeting introduced Mr. Bancha Ongkosit, the Chairman of the Board of Directors, whom will be presided as Chairman of the Shareholders' Meeting ("Chairman") and asked the Chairman to proceed the Meeting.

#### At the beginning of the Meeting

The Chairman welcomed shareholders and informed the Meeting that on April 2, 2014, the date the share register closed, the Company's registered shares totaled Baht 578,421,582 being 578,421,582 ordinary shares at 1 Baht per share, and the issued and paid-up shares totaled Baht 549,037,541.

The Chairman informed those present that as the meeting started, there were 68 shareholders attending in person, representing 203,575,551 shares, and there were 310 shareholders by proxy, representing 200,429,502 shares, and that in total there were 378 shareholders present in person and by proxy, representing 404,005,053 shares, equivalent to 73.5842 percent, more than one-third of the total Company shares issued. A quorum was therefore duly constituted according to the Company's Articles of Association. The Chairman then declared the Meeting convened.

The Chairman introduced the Directors, the Company's Executives, the Auditor, the Legal Advisor and an Observer present at the Meeting, as follows:

#### **The Directors present at the Meeting**

- |                               |                                                                                                                                                   |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Mr. Bancha Ongkosit        | Chairman of the Board of Directors                                                                                                                |
| 2. Lt.Gen. Suprija Mokkhavesa | Independent Director/ Audit Committee member<br>Chairman of the Nomination and Remuneration Committee<br>(The Shareholders' proxy in the Meeting) |
| 3. Mr. Paitoon Taveebhol      | Independent Director/ Chairman of the Audit Committee<br>(The Shareholders' proxy in the Meeting)                                                 |
| 4. Mrs. Ubol Chiramongkol     | Independent Director/ Audit Committee member<br>Nomination and Remuneration Committee member<br>(The Shareholders' proxy in the Meeting)          |
| 5. Mrs. Siriphan Suntanaphan  | Director                                                                                                                                          |
| 6. Mr. Panja Senadisa         | Director/ Nomination and Remuneration Committee member                                                                                            |
| 7. Chantima Ongkosit, MD      | Director/ Chairman of the Corporate Governance Committee                                                                                          |
| 8. Mrs. Voraluksana Ongkosit  | Director/ Vice Chairperson of the Executive Board                                                                                                 |

**Executives present at the Meeting**

- |                                  |                                                        |
|----------------------------------|--------------------------------------------------------|
| 1. Mr. Pitharn Ongkosit          | President & CEO                                        |
| 2. Mr. Fredrick Gharapet Ohanian | Executive Vice President of Operations                 |
| 3. Mrs. Tanyarat Tessalee        | Executive Vice President of Finance and Administration |

**The Company's Auditors from KPMG Phoomchai Audit Ltd.**

1. Mr. Winid Silamongkol
2. Mr. Chokechai Ngamwutikul

**Legal Advisor from Seri Manop & Doyle Ltd.**

1. Khun Nitaya Kiatserikul - assigned as the observer of the vote count

The Chairman then requested the Meeting to consider the agenda items according to the order previously informed in the Notice of the 2014 AGM, as follows:

**Agenda item 1: To certify the 2013 AGM minutes of the meeting held on April 29, 2013**

The Chairman informed the Meeting the Company had submitted the minutes of the 2013 AGM held on April 29, 2013 within 14 days after the meeting date to the Stock Exchange of Thailand and the Ministry of Commerce, in compliance with relevant laws. The minutes were also posted on the Company's website ([www.kcethai.in.th](http://www.kcethai.in.th)) . A copy of the minutes was attached to the Notice of the 2014 AGM (Enclosure 1) sent to shareholders.

The Chairman asked whether shareholders required further clarification or if anyone had any suggestion to correct the minutes.

As there was no further question or comment, the Chairman proposed the Meeting consider and certify the Minutes and asked the Meeting to vote on this agenda item.

**Resolution:** The Meeting certified the 2013 AGM minutes with a majority vote of the total number of votes of all shareholders attending the meeting and casting their votes, as summarized below:

	Approved	Disapproved	Abstention	Total
Number of votes *	405,090,928	0	100	405,091,028
Percentage	100.0000	0.0000	-	-

**Agenda item 2: To acknowledge the results of the Company's operation of 2013**

The Chairman asked Khun Tanyarat Tessalee, the Executives Vice President of Finance and Administration, to summarize the Company's performance in 2013, to the Meeting as follows:

- The Company had summarized the operational performance for 2013 in the 2013 Annual Report that was sent to shareholders with the Notice of the 2014 AGM, as follows:
  - Summarized Financial data and Ratio (page 172 - 173)
  - Director's Report (page 174 - 175)
  - Management Discussion and Analysis (page 241 – 247)
- The year 2013 was considered greatly successful and the Company's operating performance achieved a record high.
- Sales grew significantly from Baht 6,477.9 million to Baht 9,293.9 million in 2013, representing an increase of 43% from previous year and reached a new record high of sales, as a result of:
  - Market growth and the steady increase in demand from existing customer in the automotive sector and the newly developed business
  - High productivity; mainly due to a subsidiary, KCE Technology, had its first year of full production after flooding by the end of 2011.
- Gross profit rate was higher from 19.2% to 26.3% in 2013, the record high of GP rate, as a result of:
  - 1) Good management in the manufacturing operations:
    - High capacity utilization rate and improved efficiency, resulted in an economy of scale
    - Continued production cost control
    - Low scrap rate
  - 2) Lower raw material cost
- Selling and Administrative expense (SG&A)  
In 2013, SG&A expense was at 13.7% of total sales, decreased from 16.5% in previous year. Selling expense grew in the same proportion to sales volume; and the details of SG&A was in the note to the financial statement No. 26 and 27.
- Operating profit (exclude effect from foreign exchange rate change)  
In 2013, the Company earned an operating profit of Baht 1,084.2 million, an increase of 123% from 484.3 million in 2012.
- Net profit, per consolidated Financial statement  
In 2013, the Company earned a net profit of Baht 1,173.5 million, an increase of 82% from 643.3 million in 2012. The net profit rate was 12.6% and 9.9% in 2013 and 2012, respectively.  
  
From the chart, it was obvious that profits grew in the second half of 2013, a result of sale growth and improved profitability, the effect of Baht depreciation also contributed.

There being no further inquiries from shareholders at the Meeting, the Chairman proposed the Meeting to acknowledge the 2013 performance, as reported.

**Resolution:** The Meeting acknowledged the results of the 2013 Company's operating performance, as proposed.

**Agenda item 3: To consider and approve the Company's statement of financial position and the statement of comprehensive income for the fiscal year ended December 31, 2013**

The Chairman asked Khun Tanyarat Tessalee, the Executives Vice President of Finance and Administration, to report the Company's financial statements for the year ended December 31, 2013, which have been audited by the Auditor of KPMG, of which has expressed an unqualified opinion. The financial statement was also reviewed by the Audit Committee and it was found to be accurate, complete and comply with general accepted accounting principles, and shown in the 2013 Annual Report (page 86 – 99), which was sent to shareholders.

**Financial position as at December 31, 2013**

**Total Asset:** increased by Baht 1,011 million, mainly from the followings:

- 1) Baht 1,217 million rise in Trade receivables and Baht 105 million in Inventories, due to business expansion, particularly in the second half of the year as previously highlighted
- 2) Baht 539 million lower in the Insurance claim receivable, from Baht 977 million to Baht 438 million by the yearend 2013
- 3) Baht 239 million rise in the non-current asset, mainly from:
  - Property, plant and equipment increased Baht 105 million
  - Deferred tax assets increased Baht 57 million
  - Investment in associates increased Baht 21 million

**Total liabilities:** net decrease of Baht 16 million from the followings:

- 1) Short-term loans increased Baht 408 million
- 2) Trade payables increased Baht 606 million, used as working capital for increased business
- 3) Long-term loans decreased Baht 1,088 million, mainly due to loan repayment from cash received from insurance claim

**Total Equity:** increased by Baht 1,028 million, mainly from the followings:

- 1) Earned profit for the year 2013 amounted to Baht 1,181.5 million
- 2) Capital increased of Baht 117.6 million (from the exercise of Warrant to purchase ordinary shares of the Company; KCE-W2, ESOP-W3 and ESOP-W4.
- 3) Decreased by the dividend payment during 2013 of Baht 277.8 million

**Operating performance in 2013**

**Revenue from Sales of goods and services**

Revenue from Sales of goods and services increased by Baht 2,816 million, from Baht 6,477 million to Baht 9,293 million in 2013 as previously highlighted in the agenda item 2.

### Total Income

Total Income increased by Baht 2,267 million, from Baht 7,205 million to Baht 9,472 million in 2013; having an increase in the Revenue from sales of Baht 2,816 million and offset by a decrease in the Other income of Baht 549 million, details as follows:

	(Unit : Million Baht)	
	Year 2013	Year 2012
Compensation from insurance claim	32.6	496.7
Gain from foreign exchange rate change	89.3	159.0
Sales of scrapped materials	39.0	28.9
Other miscellaneous income	<u>17.9</u>	<u>43.2</u>
Total	<u>178.8</u>	<u>727.6</u>

### Net profit for the year

Profit attributable to the Company in 2013 amounted to Baht 1,173.5 million, from Baht 643.2 million in 2012, representing an increase of Baht 530.2 million or 82.4%. The Earnings per share in 2013 was at Baht 2.53 from Baht 1.40 per share in the last year.

The Chairman asked whether shareholders required further clarification or if anyone had any comments and there were questions as follows:

(1) Khun Pitipat Patthanatanchoke      Shareholder's Proxy (Thai Investors Association)

Question: Beside the Statement of Financial Position and the Statements of Comprehensive Income, do shareholders need to approve the Statements of changes in equity and Statements of cash flows as well?

Answer: The EVP of Finance, Khun Tanyarat Tessalee, explained that the financial statement refers to a set of all aforementioned statements and shareholders should approve the whole set of financial statements.

Question: In the Annual report, on page 255, the auditor draw attention to note 4 and 16 to the Financial statement, describing the effect of the adoption of new accounting policy in 2013; what was the effect for the Company and the Group?

Answer: KPMG's auditor explained that the effects were disclosed in the notes to the financial statement as follows:

The Accounting for Income tax: the effect in the consolidated financial statement was that the net profit for 2012 decreased by Baht 69 million, while the net profit for 2013 increased for Baht 28 million.

The Accounting for foreign exchange rate and Information for Operating segment: the effect was nil to the Company's financial statement.

There being no further inquiries from shareholders, the Chairman proposed that shareholder approve the Company's financial statements for the year ended December 31, 2013.



**Resolution:** The Meeting approved the Company's financial statements for the year ended December 31, 2013 by a majority vote of the total number of votes of all shareholders attending the meeting and casting their votes, as summarized below:

	Approved	Disapproved	Abstention	Total
Number of votes *	404,376,228	0	725,000	405,101,228
Percentage	100.0000	0.0000	-	-

**Agenda item 4: To consider and approve the allocation of the net profit to serve as a legal reserve and dividend payment for the operating results of 2013**

The Chairman reported that with regard to net profit allocation to legal reserve, as at December 31, 2013, the Company's registered capital was amounted to Baht 578,421,582 and the legal reserve was at Baht 57,842,158 or 10% of the registered capital. The Company fully appropriated its net profit to the legal reserve in accordance with the related law; therefore, no additional statutory reserve is required.

With regard to the dividend payment of 2013, the separate financial statements indicated that the Company earned a net income of Baht 449.8 million and Baht 1,173.5 million in the consolidated financial statements, therefore, the Board propose to pay dividend at Baht 0.75 per share (seventy five satang per share). The dividend will totaled to Baht 389.9 million or 33.20% to the consolidated net profit, which was in line with the dividend policy.

However, the Board meeting No. 8/2013, held on August 8, 2013, passed a resolution approving the interim dividend payment for the first six month period of the year (January – June 2013) at Baht 0.25 per share (twenty five satang per share), and paid on September 6, 2013. The Board, therefore, proposed that shareholders consider and approve the dividend payment for the second half of 2013 (July – December 2013) operating results, at Baht 0.50 per share (fifty satang per share). The Company will pay to the shareholders whose names were in the share register on the record date set for determining the shareholders' entitlement to dividend payment on April 1, 2014. The share register shall be closed on April 2, 2014 to collect the shareholders' names in compliance with Section 225 of the Securities and Exchange Act, B.E. 2535 (amended). Payment will be due on Thursday, May 15, 2014.

The Chairman informed that the dividend payment for the second half of the year at Baht 0.50 per share was the paid from the Company's net profit of 2013, which comprise:

- The profit from BOI promoted operation 0.32 Baht/ Share  
(10% withholding tax is not applied)
- The income from dividend received from 0.18 Baht/Share  
Subsidiaries, exempt for taxable income

In this case, individual shareholder is not eligible for tax credit, since the dividend is derived from profit or income that is not subject to the corporate income tax.

The Chairman asked whether shareholders required further clarification or if anyone had any comments and there were questions as follows:



(1) Khun Amorn Kovanichjaroen Shareholder

**Question:** In case that tax credit is not applicable, should the dividend be filed as income?

**Answer:** Khun Tanyarat Tessalee explained that in each tax-year, the individual tax payer can choose whether to include the dividend income (from all companies) in the personal income tax filing at the end of the year, or not. In case that an individual choose to file the dividend income, then all the dividend received must be filed, regardless of the Tax credit eligibility.

There being no further inquiries from shareholders, the Chairman proposed that Meeting approve no additional appropriation of the 2013 net profit as legal reserve and approve the 2013 annual dividend payment, as proposed by the Board.

**Resolution:** The Meeting approved no additional appropriation of the 2013 net profit to legal reserve be made and approved the 2013 annual dividend payment as proposed by the Board, with a majority vote of the total number of votes of all shareholders attending the meeting and casting their votes, as summarized below:

	Approved	Disapproved	Abstention	Total
Number of votes *	405,101,128	0	100	405,101,228
Percentage	100.0000	0.0000	-	-

**Agenda item 5: To consider and approve the election of the Directors to replace those who retired by rotation for the year 2014**

The Chairman stated that to comply with the Public Limited Company Act and the Company's Articles of Association (Article 16), one-third of the total number of directors retire at the AGM. In 2014 AGM, the following three directors are retiring by rotation:

- (1) Mr. Panja Senadisai Non-Executive Director
- (2) Dr. Chantima Ongkosit Non-Executive Director
- (3) Mrs. Voraluksana Ongkosit Executive Director

To conform to good Corporate Governance principles, the retiring Directors were not in the meeting room

The Board, excluding the member having a conflict of interest, agreed with the Nomination and Remuneration Committee's proposal to propose to the Meeting to consider and approve the re-election of all three directors who shall retire by rotation in 2014 to resume their positions as Directors for another term. All three directors have appropriate qualifications in compliance with the Public Limited Company Act and the SEC, talent and valuable experience and expertise and including having business ethic, vision and positive attitude toward organization. Moreover, they are able to devote time and capability for the maximum benefits of the Company as well as all shareholders and stakeholders therefore they are suitable to assume their position as Directors. The detailed information pertaining to the Director nominees is shown in the Enclosure 3. The duties and responsibilities of sub-

committees and the qualification of the independent directors appear in the 2013 Annual report (page 22-31) and the Enclosure 11.

The Chairman asked whether shareholders required further clarification or if anyone had any comments and there were questions as follows:

- (1) Khun Pitipat Patthanatanchoke      Shareholder's Proxy (Thai Investors Association)

**Question:** It is suggested that in order to speed up the vote counting, only the ballot papers marked "disapproved" and "abstention" should be collected, as done in other agenda; the "Approved" card can be collected later. The officer should collect the ballot papers for each agenda, being 5.1, then 5.2 and 5.3 respectively.

**Answer:** The suggested procedure was used in the last AGM, however, the suggestion can be reconsidered, if any delay in the vote count.

There being no further inquiries from shareholders, the Chairman proposed that the Meeting consider and approve the re-election of all three directors who shall retire by rotation in 2014 to resume their positions as Directors for another term. The election shall be voted individually.

**Resolution:** The Meeting approved the election of directors to replace those who retire by rotation, with a majority vote of the total number of votes of all shareholders attending the meeting and casting their votes, as summarized below:

- 1) Mr. Panja Senadisai      (Non-Executive Director)

	Approved	Disapproved	Abstention	Total
Number of votes*	404,309,128	687,100	105,000	405,101,228
Percentage	99.8303	0.1696	-	-

- 2) Dr. Chantima Ongkosit      (Non-Executive Director)

	Approved	Disapproved	Abstention	Total
Number of votes*	404,371,828	686,900	42,500	405,101,228
Percentage	99.8304	0.1695	-	-

- 3) Mrs. Voraluksana Ongkosit      (Executive Director)

	Approved	Disapproved	Abstention	Total
Number of votes*	404,371,828	686,900	42,500	405,101,228
Percentage	99.8304	0.1695	-	-

The Chairman thanks the Shareholders for their approval of the re-election of all the retiring Directors to resume their positions as Directors for another term.



**Agenda 7 : To consider and approve the determination of the remuneration of the Directors and the remuneration of the Audit Committee for the year 2014**

The Chairman asked Lt.Gen. Suprija Mokkhavesa, the Chairman of the Nomination and Remuneration Committee to present to the Meeting on the determination of the remuneration for the Board of Directors and the Audit Committee in 2014 to the Meeting.

To ensure that the Board receives appropriate and fair remuneration, the Nomination and Remuneration Committee has proposed to the Board regarding the determination of the remuneration by considering in accordance with the Directors' roles and responsibilities, past performance and including the business expansion, the estimated results of operations and other related factors. This includes the comparisons to other similar companies in the same industry.

The Board agreed with the Nomination and Remuneration Committee's proposal and recommends the Meeting to approve the 2014 Board of Directors' and the Audit committee's remuneration at the same rate of 2013, details as follows:

	Annual fee (Baht/Person/Year)	Meeting fee (Baht/Person/Time)
<u>Board of Directors</u>		
• Chairman of the Board	1,400,000	35,000
• Director	700,000	30,000
<u>Audit Committee</u>		
• Chairman of the Committee	500,000	-
• Member of the Audit Committee	400,000	-

The Chairman asked whether shareholders required further clarification or if anyone had any comments and there were questions as follows:

(1) Khun Chatchai Koon-ngam Shareholder

Question: In 2014, the annual fee and the meeting allowance per person is not increased, but because there is one newly appointed director, therefore total expense amount will be increased, is this correct?

Answer: Correct.

(2) Khun Pitipat Patthanatanchoke Shareholder's Proxy (Thai Investors Association)

Question: (a) Do the Audit committee receive the meeting allowance from the Board meeting?

(b) Do a Director receive the meeting allowance, if do not attend the Board meeting? Comment - In some company, the absent Director do not get the meeting allowance.

(c) Comment - The Audit Committee do not have a meeting allowance, this may be considered unfair.

Answer: (a) The Audit committee receives the meeting allowance when attend the Board meeting.

(b) Yes.

(c) Will consider.

As there was no further question or comment, the Chairman proposed that the Meeting consider and approve the 2014 Board of Directors' and the Audit Committee's remuneration, as proposed by the Board.

**Resolution:** The Meeting approved the 2014 Board of Directors' and the Audit Committee's remuneration, with a vote of not less than two-thirds of the total number of votes of all the shareholders attending the meeting, as summarized below:

	Approved	Disapproved	Abstention	Total
Number of votes *	405,142,128	0	5,100	405,147,228
Percentage	99.9987	0.0000	0.0012	100

**Agenda 8 : To consider and approve the appointment of the auditor of the Company and its subsidiaries and approve the auditor's remuneration for the fiscal year 2014**

The Chairman asked the Chairman of the Audit Committee, Khun Paitoon Taveebhol, to present details of the appointment of the auditor and the auditor's remuneration to the Meeting.

The Board considered and agreed with the Audit Committee's proposal to recommends shareholders to appoint auditors from KPMG Poomchai Audit Ltd., by stipulating that any one of the listed auditor to serve as the external auditor and give an opinion on the Company and subsidiaries financial statements for 2014:

1. Mr. Veerachai Ratanajaratkul CPA (Thailand) No.4323
2. Miss Bongkot Amsageam CPA (Thailand) No. 3684
3. Mr. Thanit Osathalert CPA (Thailand) No. 5155

The proposed auditors are not KCE's shareholders and are neither related to nor engaged in any conflict of interest with the Company, any of its subsidiaries, their Management or their major shareholders, which could affect the independence of the audit work. KPMG and the proposed auditors for KCE and subsidiaries have been endorsed by SEC and are knowledgeable and experienced in the auditing.

The Board considered and agreed with the Audit Committee's proposal to recommends shareholders to approve the 2014 auditor's remuneration for the Company and subsidiaries amounting to Baht 3,165,500 annually, an increase of Baht 96,500 to 2013, or 3.14 %, which is in line with the expansion of the business, details are as follows:

Audit fee - The Company only	Baht 970,000
Audit fee - All Subsidiaries (6 companies)	<u>Baht 2,195,500</u>
Total Auditor's fee	<u>Baht 3,165,000</u>

The Chairman asked whether shareholders required further clarification or if anyone had any comments and there were questions as follows:

(1) Khun Pitipat Patthanatanchoke Shareholder's Proxy (Thai Investors Association)

**Question:** Not certain that shareholder have authority to approve the auditing fee for subsidiaries.

**Answer:** Khun Paitoon Thaveebhol commented that in practice the subsidiary's operation is under control of the parent company who holds its share of more than 50%; for transparency purpose, the audit fee of its subsidiaries are disclosed to shareholders for acknowledgement. Again in general practice, shareholders/ proxies have authority to approve the auditor's fee of its subsidiary company.

As there was no further question or comment, the Chairman proposed that the Meeting consider and approve the appointment of the auditors from KPMG Poomchai Audit Ltd as the Auditor for the Company and its subsidiaries for 2014 and the 2014 Auditor's remuneration for the Company and its subsidiaries, as proposed by the Board.

**Resolution:** The Meeting approved the appointment of the Company's auditors and the Auditor's remuneration for 2014, as proposed by the Board, with a majority vote of the total number of votes of all shareholders attending the meeting and casting their votes, as summarized below:

	Approved	Disapproved	Abstention	Total
Number of votes *	405,123,128	19,000	5,100	405,147,228
Percentage	99.9953	0.0046	-	-

**Agenda 9 : To acknowledge the amendment to the expiration period of the ESOP-W4 project**

Since March 12, 2012, the Company issued and offer the Warrants to Purchase Ordinary Shares of the Company (ESOP-W4) allocated to directors and employees of the Company and/or its subsidiaries amounted to 10,000,000 units, having the last exercise date on March 10, 2017.

Currently the outstanding warrants, which have not been exercised, remain at 438,541 units, however, the employees who hold those warrants already resigned from the company; therefore, those warrant holders can not exercise their rights, according to the condition of the ESOP project (item No. 3.3) which is indicated in the details of the project. On March 18, 2014, the Board of Directors' meeting passed a resolution in the amendment to the expiration period of the ESOP-W4 project to be on March 31, 2014.

The Chairman asked whether shareholders required further clarification or if anyone had any suggestion, however, there was no question or comment. The Chairman concluded that the Meeting acknowledged the amendment to the expiration period of the ESOP-W4 project.

**Resolution:** The Meeting acknowledged the amendment to the expiration period of the ESOP-W4 project, as reported.

**Agenda 10 To consider and approve the reduction of the Company's registered capital in the amount of Baht 995,071 from the current registered capital of Baht 578,421,582 to the new registered capital of Baht 577,426,511 by cancelling the unissued ordinary shares at the par value of Baht 1 per share, and to consider and approve the amendment to Article 4 of the Company's Memorandum of Association regarding the registered capital to reflect the reduction of the Company's registered capital**

The Chairman asked Khun Tanyarat Tessalee to report on the capital reduction from the current registered capital of Baht 578,421,582 to the new registered capital of Baht 577,426,511 and report the amendment to Article 4 of the Company's Memorandum of Association regarding the registered capital to reflect the reduction of the Company's registered capital, for the meeting approval as follows:

As the Company has a total of 995,071 unissued ordinary shares, which are the shares to be reserved for the exercise of warrants ESOP-W3 and ESOP-W4, but both projects have been expired. In order to comply with the Public Limited Companies Act, the Board of Directors proposed that the AGM approve the reduction of its registered capital in the amount of Baht 995,071 from the current registered capital of Baht 578,421,582 to Baht 577,426,511 by cancelling 995,071 unissued ordinary shares with Baht 1 par value per share.

In addition, in order to reflect the above reduction, the Board of Directors considers it appropriate to propose to the AGM to consider and approve the amendment to Article 4 of its Memorandum of Association regarding the registered capital by replacing it with the following provision:

"No. 4	Registered Capital	Baht 577,426,511	(Five hundred seventy-seven million four hundred twenty-six thousand five hundred and eleven Baht)
	Divided into	577,426,511 shares	(Five hundred seventy-seven million four hundred twenty-six thousand five hundred and eleven shares)
	With par value of	Baht 1	(One Baht)
Divided into	Ordinary shares	577,426,511 shares	(Five hundred seventy-seven million four hundred twenty-six thousand five hundred and eleven shares)
	Preferred shares	-	- "

As there was no further question or comment, the Chairman proposed that the Meeting consider and approve the reduction of the Company's registered capital from the current registered capital of Baht 578,421,582 to Baht 577,426,511 by cancelling 995,071 unissued ordinary shares with Baht 1 par value per share and approve the amendment to Article 4 of its Memorandum of Association regarding the registered capital.



**Resolution:** The Meeting approved the reduction of its registered capital in the amount of Baht 995,071 from the current registered capital of Baht 578,421,582 to Baht 577,426,511 by cancelling 995,071 unissued ordinary shares with Baht 1 par value per share and the amendment to Article 4 of its Memorandum of Association regarding the registered capital, as proposed by the Board, with a vote of not less than three-fourths of the total number of votes of all the shareholders attending the meeting and eligible to vote, as summarized below:

	Approved	Disapproved	Abstention	Total
Number of votes *	405,142,328	0	5,100	405,147,428
Percentage	100.0000	0.0000	-	100

**Agenda 11: To consider and approve the issuance and offering of the warrants to purchase ordinary shares of the Company to directors, managements and employees of the Company and its subsidiaries (ESOP-W5), in the amount of not exceeding 10,000,000 units**

The Chairman asked Khun Tanyarat Tessalee to report on the details of the issuance and offering of the warrants to purchase ordinary shares of the Company to directors, managements and employees of the Company and its subsidiaries (ESOP-W5) in the amount of not exceeding 10,000,000 units, for the meeting approval as follows:

In order to motivate and compensate directors and employees for their contributions, to stimulate their intention to work and return the utmost benefits to the Company, to offer the opportunity for employee to participate in the ownership of the Company which shall entail them to share the same objective as the shareholders and bring about the prosperity to the Company, including to retain knowledgeable and capable personnel with the Company for over a long period of time. The Board proposed that the AGM approve the issuance and offering of the warrants to purchase ordinary shares of the Company (ESOP-W5) in the amount of not exceeding 10,000,000 units to directors, managements and employees of the Company and its subsidiaries. In this regard, please consider details of the issue and offering of the ESOP-W5, which was submitted to the shareholders together with this notice.

**Summary of the warrant ESOP-W5 is as follows:**

Name of Security	The warrants to purchase ordinary shares of the KCE Electronics PCL (ESOP-W5)
Number of warrants to be offered	Not exceeding 10,000,000 units
Number of warrants accounted for	1.82% of total number of the Company's issued shares
Offering price	Baht 0 (Zero Baht per unit)
Offering period	Within 1 year from the date of approval by the Shareholders' meeting
Term	not exceed 3 years from the date of issue

Allocation method	allocated to directors, managements and employees of the Company and its subsidiaries
Exercise ratio	1 warrant per 1 share
Exercise price	the weighted average of company's share price trading in stock exchange of Thailand, during 15 consecutive business days before the date of the 2014 AGM with no discount [the weighted average of the share price during 15 days before the date of the 2014 AGM equals to Baht 31.99 per share]

In addition, in order to facilitate and increase flexibility for the issue and offering of Warrants, the Board of Directors considers it appropriate to propose to the AGM to consider and approve to authorize the Board of Directors and/or the person appointed by the Board of Directors to consider, determine or amend certain terms, conditions and other details that are necessary and relevant to the issue and offering of Warrants ESOP-W5, as necessary and appropriate pursuant to applicable laws.

The Chairman asked whether shareholders required further clarification or if anyone had any comments and there were questions as follows:

- (1) Khun Chatchai Koon-Ngam                      Shareholder

Question: Is there a secondary market for the warrant?

Answer: None.

- (2) Khun Pitipat Patthanatanchoke              Shareholder's Proxy (Thai Investors Association)

Question: Why the votes count for this agenda item is a lot less than in other agenda items, only 236,772,176 votes?

Answer: The non-eligible vote of the Directors' were excluded.

As there was no further question or comment, the Chairman proposed that the Meeting consider and approve the issuance and offering of the warrants to purchase ordinary shares of the Company to directors, managements and employees of the Company and its subsidiaries (ESOP-W5) in the amount of not exceeding 10,000,000 units and authorize the Board of Directors and/or the person appointed by the Board of Directors to carry out the actions mentioned above.

**Resolution:** The Meeting approved the issuance and offering of the warrants to purchase ordinary shares of the Company to directors, managements and employees of the Company and its subsidiaries (ESOP-W5) in the amount of not exceeding 10,000,000 units as proposed by the Board and authorize the Board of Directors and/or the person appointed by the Board of Directors to carry out the actions mentioned above, with a vote of not less than three-fourths of the total number of votes of all the shareholders attending the meeting and eligible to vote and must not be opposed by shareholders with an aggregate number of shares exceeding 10 percent of all votes of shareholders attending the meeting, as summarized below:

	Non-Eligible votes	Approved	Disapproved	Abstention	Total
Number of votes *	168,375,252	235,275,176	1,491,900	5,100	236,772,176
Percentage	-	99.3677	0.6300	0.0021	100

**Agenda 12 : To consider and approve the increase of the Company's registered capital from the current registered capital of Baht 577,426,511 to the new registered capital of Baht 587,426,511, by issuing 10,000,000 new ordinary shares at the par value of Baht 1 per share, and to consider and approve the amendment to Article 4 of the Company's Memorandum of Association regarding the registered capital to reflect the increase of the Company's registered capital.**

The Chairman asked Khun Tanyarat Tessalee to report on the details of the increase of the Company's registered capital from the current registered capital of Baht 577,426,511 to the new registered capital of Baht 587,426,511, and report the amendment to Article 4 of the Company's Memorandum of Association regarding the registered capital to reflect the increase of the Company's registered capital, for the meeting approval as follows:

In order to accommodate the exercise of Warrants ESOP-W5 pursuant to Agenda 11 above, the Board proposed the Meeting to approve the increase of its registered capital in the amount of Baht 10,000,000 from Baht 577,426,511 to Baht 587,426,511 by issuing 10,000,000 new ordinary shares at Baht 1 par value per share.

In addition, in order to reflect the above increase, the Board proposed the Meeting to approve the amendment to Article 4 of its Memorandum of Association regarding the registered capital by cancelling the existing provision and replacing it with the following provision:

"No. 4	Registered Capital	Baht 587,426,511	(Five hundred eighty-seven million four hundred twenty-six thousand five hundred and eleven Baht)
	Divided into	587,426,511 shares	(Five hundred eighty-seven million four hundred twenty-six thousand five hundred and eleven shares)
	With par value of	Baht 1	(One Baht)
Divided into	Ordinary shares	587,426,511 shares	(Five hundred eighty-seven million four hundred twenty-six thousand five hundred and eleven shares)
	Preferred shares	-	- "

As there was no question or comment, the Chairman proposed that the Meeting consider and approve the increase of its registered capital from Baht 577,426,511 to Baht

587,426,511 and the amendment to Article 4 of its Memorandum of Association regarding the registered capital to reflect the increase of the Company's registered capital.

**Resolution:** The Meeting approved the increase of its registered capital in the amount of Baht 10,000,000 from Baht 577,426,511 to Baht 587,426,511 by issuing 10,000,000 new ordinary shares at Baht 1 par value per share and the amendment to Article 4 of its Memorandum of Association regarding the registered capital as proposed, with a vote of not less than three-fourths of the total number of votes of all the shareholders attending the meeting and eligible to vote, as summarized below:

	Approved	Disapproved	Abstention	Total
Number of votes *	404,835,028	307,300	5,100	405,147,428
Percentage	99.9241	0.0758	-	-

**Agenda 13 : To consider and approve the allocation of the newly issued ordinary shares of the Company in the amount of not exceeding 10,000,000 shares as par value of Baht 1 per share to reserve for the exercise of Warrants to purchase ordinary shares of the Company (ESOP-W5)**

The Chairman asked Khun Tanyarat Tessalee to report on the details of the allocation of the newly issued ordinary shares of the Company, for the meeting approval as follows:

Following the Board's approval to increase of the Company's registered capital in Agenda 12 above, the Board considers it appropriate to propose to the Meeting to consider and approve the allocation of not exceeding 10,000,000 new ordinary shares at Baht 1 par value per share to accommodate the exercise of Warrants ESOP-W5.

In addition, in order to facilitate and increase flexibility for the allocation of new ordinary shares, the Board of Directors considers it appropriate to propose to the AGM to consider and approve to authorize the Board of Directors and/or the person appointed by the Board of Directors to consider, determine or amend certain terms, conditions and other details that are necessary and relevant to accommodate the issue and allocation of the newly issued ordinary shares to reserve for the exercise of Warrants to purchase ordinary shares of the Company (ESOP-W5), as necessary and appropriate pursuant to applicable laws.

As there was no question or comment, the Chairman proposed that the Meeting consider and approve the allocation of the new ordinary shares as proposed, and authorize the Board of Directors and/or the person appointed by the Board of Directors to carry out the actions mentioned above.

**Resolution:** The Meeting approved the allocation of not exceeding 10,000,000 new ordinary shares as proposed, and authorize the Board of Directors and/or the person appointed by the Board of Directors to carry out the actions mentioned above, with a majority vote of the total number of votes of all the shareholders attending the meeting and casting their votes, as summarized below:

	Approved	Disapproved	Abstention	Total
Number of votes *	463,650,428	1,491,900	5,100	405,147,428
Percentage	99.6317	0.3682	-	-

#### **Agenda item 14 : To consider other matters**

The Chairman welcomed shareholders' queries and suggestion in other matters, and there were questions as follows:

(1) Khun Chatchai Koon-Ngam                      Shareholders

Question: He recommended that the auditor finish the audit earlier, so that the AGM can be held at the end of March or in early April, which will be more convenience for shareholders to attend the Meeting. Or else, recommend to change the Company's fiscal year, not to be ended in December.

Answer: Will take the comment in to consideration.

Question: In 2013, KCE's dividend yield was at the lowest rate, compared to other company.

Answer: Khun Pitharn Ongkosit explained that the low yield was a result of the higher amount of the issued shares and the higher share price in the market. However, if consider the dividend amount per share, KCE have paid higher dividend each year:

In 2011, dividend payment	0.20 Baht/ share
In 2012, dividend payment	0.55 Baht/ share
In 2013, dividend payment	0.75 Baht/ share

(2) Khun Pitipat Patthanatanchoke                      Shareholder's Proxy (Thai Investors Association)

Question: The Shareholder's Proxy admired KCE that the Company signed a mutual agreement with the private sector Collective Action Coalition against corruption. What is the preparation and plan for the anti-corruption actions in the future?

Answer: Dr. Chantima Ongkosit, the Chairman of the Corporate Governance committee, explained that KCE, the exporter to many international and global customers, has longed-time active in the anti-corruption matters, before it is implemented in Thailand.

- (1) KCE has become a member of the Global Compact established by the United Nations (UN) since 2007 and committed to uphold the 10 principles in respect to the Human rights, Labor standards, Environment and Anti-Corruption.
- (2) In February 2014, The Board formally approved the Anti-Corruption policy and the policy was distributed throughout the organization.
- (3) In the orientation session for a new employee, all employees will be informed of the business ethics and code of conduct for employee and

management. All employees must acknowledge and accept to practice strictly in accordance to the code of conduct.

- (4) Currently the Company is in the preparation stage to be in the certification process, which will be audited by an external auditor, then asked the CAC committee to certify.


**Remark** \* During the meeting, there were additional shareholders presented, resulted in the number of shares of shareholder and proxy were greater than the number of shares at the time the Meeting started.

The Chairman concluded that as there were no further questions, he would like to thank all shareholders present at the Meeting for their participation and support, and announced the Meeting closed. He asked all shareholders to return the ballot papers to the officer at the exit before leaving the room.

The Meeting adjourned at 17.15 hours.



Signed  Chairman of the Meeting  
(Mr. Bancha Ongkosit)  
Chairman of the Board of Directors

Signed  Secretary to the Meeting  
(Mrs. Tanyarat Tessalee)  
Company Secretary