

(Translation)

Minutes of the 2015 Annual General Meeting of Shareholders (No. 32/2015)

of

KCE Electronics Public Company Limited

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Date, time and meeting place

The 2015 Annual General Meeting of Shareholders (the Meeting) took place on Wednesday, April 29, 2015 at 15.00 hours, in Srinakarin 2 , 9th Floor, The Grand FourWings Convention Hotel, 333 Srinakarin Road, Huamark, Bangkok, Bangkok

Before 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.

- Shareholders cast their votes by using a ballot paper.
- The Company record the votes cast by using a bar code system.
- The Company uses the Shareholders' meeting system of the Inventech System (Thailand) Co., Ltd. which covers:
  1. The registration
  2. The vote counting
  3. The display of the voting count and the report of the Meeting's resolutionThis is to ensure the accuracy, the transparency and the traceability of the voting record.
- 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.
- 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.

- 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.
- In the event that Shareholders/proxies begins to attend the meeting on which meeting agenda, they are entitled to cast their votes from such agenda and onward. Therefore, total number of shareholders and the vote counts in each agenda can be different.
- 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 Agenda item 8, which is 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 2015 annual shareholders' meeting. The information was announced on the Company's website and SET portal system between September 22, 2014 and December 31, 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 2015 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 March 25, 2015, the date the share register closed, the Company's registered shares totaled Baht 587,426,511 being 587,426,511 ordinary shares at 1 Baht per share, and the issued and paid-up shares totaled Baht 568,709,119.

The Chairman informed those present that as the meeting started, there were 44 shareholders attending in person, representing 204,695,276 shares, and there were 687 shareholders by proxy, representing 229,270,832 shares, and that in total there were 731 shareholders present in person and by proxy, representing 433,966,108 shares, equivalent to 76.3072 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. Pitharn Ongkosit      | Director/ President and CEO<br>Chairman of the Risk Management Committee   |
| 7. Mr. Panja Senadisai       | Director<br>Nomination and Remuneration Committee member   |
| 8. Chantima Ongkosit, MD     | Director<br>Chairperson of the Corporate Governance Committee  |
| 9. Mrs. Voraluksana Ongkosit | Director/ Vice Chairperson of the Executive Board  |

Executives present at the Meeting

- |                                  |   |
|----------------------------------|---|
| 1. Mr. Fredrick Gharapet Ohanian | Executive Vice President of Operations (Group)  |
| 2. Mrs. Tanyarat Tessalee        | Executive Vice President of Finance and Administration<br>(Group) and Company Secretary |

Representative of the Company's Auditors from KPMG Phoomchai Audit Ltd.

1. Mr. Bunyarit Thanormcharoen
2. Mr. Chokechai Ngamwutikul

Legal Advisor from Seri Manop & Doyle Ltd.

1. Miss Sathima Jintanaseri
2. Miss 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 2015 AGM, as follows:

**Agenda item 1: To certify the 2014 AGM minutes of the meeting held on April 29, 2014**

The Chairman informed the Meeting the Company had submitted the minutes of the 2014 AGM held on April 29, 2014 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)). So far, there was no correction request from shareholders and the Board has been considered that the minutes of the 2014 AGM was recorded correctly and comply with the resolution made.

A copy of the minutes was attached to the Notice of the 2015 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 2014 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*	434,103,177	0	0	434,103,177
Percentage	100.00	0	0	100

**Agenda item 2: To acknowledge the results of the Company's operation of 2014**

The Chairman asked Khun Tanyarat Tessalee, the Executive Vice President of Finance, to summarize the Company's performance in 2014, to the Meeting as follows:

- The Company had summarized the operational performance for 2014 in the 2014 Annual Report that was sent to shareholders with the Notice of the 2015 AGM, as follows:
  - Summarized Financial data and Ratio (page 195)
  - 2014 Director's Report (page 196 - 197)
  - Management Discussion and Analysis (page 269 - 275)

Shareholders can obtain additional data in the Annual Registration Statements (Report form 56-1), at [www.set.or.th](http://www.set.or.th) or at the Company's website:  
[www.kcethai.in.th](http://www.kcethai.in.th)

- The year 2014 was considered successful and the Company's operations achieved good results.
- Sales grew significantly from Baht 9,294 Million to Baht 11,284 Million in 2014, representing an increase of 21% from previous year and reached a new record high of sales, as a result of:
  - the improved market condition in automotive industry, resulted in an increased demand from both current and new customers
  - the outperformed operation of KCE Technology, a subsidiary running at one half of the total group's capacity
  - the substantial improvement in manufacturing efficiency in all facilities, which enable factory to increase its output.

- Gross profit rate was higher from 26.3% to 31.6% in 2014, as a result of:

- the significant increase in capacity utilization rate
- continuing manufacturing efficiency improvement
- the stabilization of low scrap rate

- Selling and Administrative expense (SG&A)

In 2014, SG&A expense was at 14.8% of total sales, details is shown in the notes to financial statement item No. 25-26.

The non-recurring SG&A expenses included:

- the expense recognized from ESOP share subscription
- impairment charge of unused machines
- the pre-operating costs for the new plant

- Operating profit

In 2014, the Company earned an operating profit of Baht 1,828 Million, an increase of 69% from Baht 1,084 Million in 2013.

The non-operating transactions were related to:

- foreign exchange rate effects
- the compensation from insurance claim
- the realized profit related to the business combination

- Net profit per consolidated Financial statement

In 2014, the Company earned a net profit of Baht 2,109.8 Million, an increase of 80% from Baht 1,173.5 Million in 2013. The net profit rate was 18.7% to sales, which was the result of sale growth and improved profitability, but was partially net-off by an increase in SG&A.

- Key Financial Ratio

According to financial data shown in the Annual report (page 195):

Return on Shareholders' Equity continued to increase to 33.0% in 2014

Return on Asset was doubled from 2012 and was at 13.9%

Debt to Equity ratio was 0.92 times at the end of 2014

Net profit rate was at 3.89 Baht per share

Proposed dividend payment at 1.10 Baht per share

Book value was at 11.29 Baht per share, almost 2 times higher from 2012

There being no further inquiries from shareholders at the Meeting, the Chairman proposed the Meeting to acknowledge the 2014 performance, as reported.

**Resolution:** The Meeting acknowledged the results of the 2014 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, 2014**

The Chairman asked Khun Tanyarat Tessalee, the EVP of Finance, to report the Company's financial statements for the year ended December 31, 2014, 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 2014 Annual Report (page 284 – 288), sent to shareholders.

The 2014 Financial Statement was affected by several events happened during the year as follows:

- 1) The Company's new plant expansion, which was continued from the 4th quarter of 2013 and also the plant expansion of the subsidiary, Thai Laminate Manufacturer, which started in 2014.
- 2) The subsidiary received flood insurance compensation totaling Baht 580 Million.
- 3) In the 4th quarter, the Company acquired a subsidiary, KCE Singapore.
- 4) The group has a good operating performance throughout the year 2014.

**Statements of financial position as at December 31, 2014**

**Total Asset:**

Valued at Baht 15,159 Million, increased by Baht 3,875 Million, mainly from the followings:

- 1) Increased Trade receivables and Inventories, following business growth.
- 2) Property, Plant and Equipment increased due to the new plant construction.
- 3) Recorded additional Goodwill and Intangible asset from the Business combination with KCE Singapore.

**Total liabilities:**

Valued at Baht 8,771 Million, a net increase of Baht 1,597 Million from the followings:

- 1) Short-term loans decreased, as a result of the receipt of insurance claim and good operations.
- 2) Long-term loans increased, mainly due to the new plant expansion.

**Total Equity:**

Valued at Baht 6,387 Million, increased by Baht 2,277 Million, mainly from the followings:

- 1) Profit earned for the year 2014, amounted to Baht 2,111.8 Million.
- 2) Capital increased of Baht 593.5 Million, from the exercise of warrant to purchase ordinary shares of the Company.
- 3) Decreased by the dividend payment of Baht 509.4 Million.

## Statements of comprehensive income for fiscal year 2014

Detailed were previously described in the agenda item 2, which can be summarized as follows:

### Revenue from Sales of goods and services

Revenue from Sales of goods and services was Baht 11,284 Million, increased by Baht 1,990 Million, or 21%.

### Total Income

Total Income was Baht 11,654 Million, increased by Baht 2,181 Million, which included compensation from insurance claim, profit from business combination, gain from foreign exchange rate, sales of scrapped materials and other miscellaneous income.

### Net profit for the year

Profit attributable to the Company in 2014 amounted to Baht 2,109.7 Million, representing an increase of Baht 936 Million or about 80%.

### Earnings per share

The basic earnings per share was at Baht 3.89 from Baht 2.53 per share in the last year.

Khun Tanyarat Tessalee declared that the Audit Committee and the Board of Directors had considered the Financial Statements and found that it was appropriate to propose to the Shareholders to consider and approve the mentioned financial statements for the year ended December 31, 2014.

The Chairman asked whether shareholders required further clarification or if anyone had any comments and there was no questions raised.

There being no further inquiries from shareholders, the Chairman proposed that shareholder approve the Company's financial statements for the year ended December 31, 2014.

**Resolution:** The Meeting approved the Company's financial statements for the year ended December 31, 2014 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*	433,026,227	0	1,117,200	434,143,427
Percentage	99.7426	0	0.2573	100



**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 2014**

The Chairman asked Khun Pitharn Ongkosit, the CEO, to present details of this agenda to the meeting.

Khun Pitharn reported that with regard to net profit allocation to legal reserve, as at December 31, 2014, the Company's registered capital was amounted to Baht 587,426,511 and the legal reserve was at Baht 58,742,651 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 2014, the separate financial statements indicated that the Company earned a net income of Baht 924.5 Million and Baht 2,109.8 Million in the consolidated financial statements of 2014, therefore, the Board propose to pay dividend at Baht 1.10 per share (one baht and ten satang per share). The dividend will totaled to Baht 621.3 Million or 29.45% to the consolidated net profit, which was in line with the dividend policy.

However, the Board Meeting No. 8/2014, held on August 5, 2014, passed a resolution approving the interim dividend payment for the first six month period of the year (January – June 2014) at Baht 0.40 per share (forty satang per share), and paid on September 4, 2014. The Board, therefore, proposed that shareholders consider and approve the dividend payment for the second half of 2014 (July – December 2014) operating results, at Baht 0.70 per share (seventy 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 March 24, 2015. The share register shall be closed on March 25, 2015 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 May 15, 2015.

Khun Pitharn informed that the dividend payment for the second half of the year at Baht 0.70 per share was the paid from the Company's net profit of 2014, which comprise:

- |   |                     |
|---|---------------------|
| - The profit from BOI promoted operation<br>(no withholding tax is applied)   | 0.27 Baht per share |
| - The income from dividend received from<br>Subsidiaries, exempt for taxable income<br>(10% withholding tax is applied) | 0.43 Baht per share |

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 Pornprom Pakpium Shareholder

**Question:**

The dividend payment in term of percentage is lower; from 35.40% and 33.23% in the past year and 29.45% in 2014. Is this because the company have any investment plan?

**Answer:**

Khun Pitharn Ongkosit pointed out that the dividend payment in term of percentage was lower than last year, but in the amount term was higher. This is due to KCE has a big investment project to double its production capacity to the current group capacity; in addition, a subsidiary, Thai Laminate Manufacturer is currently expanding its capacity as well. However, the company has set a target to reduce the DE ratio to 1:1, when this is accomplished, the dividend could be considered to be higher.

There being no further inquiries from shareholders, the Chairman proposed that Meeting approve the 2014 annual dividend payment, as proposed by the Board.

**Resolution:** The Meeting approved no additional appropriation of the 2014 net profit to legal reserve be made and approved the 2014 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*	434,146,227	0	0	434,146,227
Percentage	100.0000	0	0	100

**Agenda item 5: To consider and approve the election of the Directors to replace those who retired by rotation for the year 2015**

To conform to good Corporate Governance principles, the retiring Directors were not in the meeting room, including the Chairman. Therefore, the Chairman asked Khun Panja Senadisai, the Nomination and Remuneration Committee member, to proceed the Meeting, including presenting details to shareholders for consideration.

Khun Panja 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 2015 AGM, the following three directors are retiring by rotation:

- (1) Mr. Bancha Ongkosit Executive Director
- (2) Lt. Gen. Suprija Mokkhavesa Non-Executive Director
- (3) Mr. Paitoon Taveebhol Non-Executive Director

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 2015 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.

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

- (1) Khun Surachet Winiyakul Shareholder's Proxy (Thai Investors Association)

**Question:**

How many years that Lt. Gen. Suprija Mokkhavesa has been the Independent Director?

**Answer:**

Khun Panja Senadisai replied that he has been the Independent director for 32 years.

**Question:**

The term for an Independent director should not be over 9 years. It is recommended that Lt. Gen. Suprija Mokkhavesa should resume the position as a director and find another director to be an independent director and the Audit committee member instead.

**Answer:**

Khun Panja Senadisai stated that as it is known, the number of Independent director is limited and in short supply; the company does not apply the policy of limiting the term of independent director to 9 years.

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 2015 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. Bancha Ongkosit (Executive Director)

	Approved	Disapproved	Abstention	Total
Number of votes	431,487,461	2,658,766	0	434,146,227
Percentage	99.3875	0.6124	0	100

2) Lt.Gen. Suprija Mokkhavesa (Non-Executive Director)

	Approved	Disapproved	Abstention	Total
Number of votes	429,418,727	4,697,400	30,100	434,146,227
Percentage	98.9110	1.0819	0.0069	100

3) Mr. Paitoon Taveebhol (Non-Executive Director)

	Approved	Disapproved	Abstention	Total
Number of votes	433,769,436	369,541	7,250	434,146,227
Percentage	99.9132	0.0851	0.0016	100

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 6: To consider and approve the determination of the remuneration of the Directors and the remuneration of the Audit Committee for the year 2015**

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 2015 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, in reference to the survey results of the board's remuneration prepared by SET and IOD.

The Board agreed with the Nomination and Remuneration Committee's proposal and recommends the Meeting to approve the 2015 Board of Directors' and the Audit committee's remuneration, details as follows:

	Annual fee (Baht/Person/Year)	Meeting fee (Baht/Person/Time)
<b><u>Board of Directors</u></b>		
Chairman of the Board	1,600,000	35,000
Director	800,000	30,000

### Audit Committee

Chairman of the Committee	600,000	-
Member of the Audit Committee	500,000	-

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

Does an executive director receive any remuneration? He suggested that the annual fee is fixed, but pay in form of bonus that will be vary on the company's performance, i.e. the profit increase 30-40%, the bonus is increased in the same proportion accordingly. This should be an incentive for the directors to drive their performance.

#### Answer

Khun Pitharn Ongkosit clarified that the annual fee already included bonus pay and has been adjusted base on 2014 performance. The adjustment applied to both the Directors and the Audit committee member. However, the shareholder's suggestion will be taken into consideration.

- 2) Khun Sophan Manatanya      Shareholder

#### Question

Does the director of other sub-committee receive any remuneration? In case that, a director is a member of several committees, what is the rule for paying the fee?

#### Answer

The Chairman said that each director will receive the fee as proposed for approval only. The Directors of the CG committee, the Nomination and Remuneration committee and the Risk Management committee, do not receive any additional fees.

#### Question

In summary, there are 3 types of remuneration, correct?

- the fee for Directors
- the fee for Directors of the Audit committee
- Meeting fee for Directors

#### Answer

The Chairman: Correct.

- 3) Khun Pornprom Pakpium      Shareholder

#### Question

In case that the company's performance is lessen, will the fee be adjusted down accordingly?

**Answer**

Khun Pitharn Ongkosit clarified that, base on a record in 2009, when there was an economy crisis, the directors' fee was cut down for 50%; the fee for the Chairman was reduced from Baht 1 Million to Baht 5 Hundred thousand, the Directors' fee was reduced from Baht 5 Hundred thousand to Baht 2.5 Hundred thousand, and as well as the fee for the Audit Committee.

As there was no further question or comment, the Chairman proposed that the Meeting consider and approve the 2015 Board of Directors' and the Audit Committee's remuneration, as proposed by the Board.

**Resolution:** The Meeting approved the 2015 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	434,138,977	0	7,250	434,146,227
Percentage	99.9983	0	0.0016	100

**Agenda 7 : 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 2015**

The Chairman asked Khun Paitoon Taveebhol, the Chairman of the Audit Committee, to present details of the appointment of the auditor and the auditor's remuneration for the year 2015 to the Meeting.

The Board considered and agreed with the Audit Committee's proposal to recommends shareholders to appoint auditors and approve the 2015 auditor's remuneration as follows:

1. Appoint auditors from KPMG Poomchai Audit Ltd. (KPMG), 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 2015:

1. Mr. Veerachai Ratanajaratkul CPA (Thailand) No. 4323
2. Miss Vannaporn Jongperadechanon CPA (Thailand) No. 4098
3. Miss Vipavan Pattavanvivek CPA (Thailand) No. 4795

KPMG, the proposed auditor for KCE and subsidiaries, have been endorsed by SEC and are knowledgeable and experienced in the auditing.

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.

In the event that those proposed auditors are unable to perform their duties, KPMG can arrange another auditor of KPMG to perform the audit and give an opinion on the Company and subsidiaries financial statements.

2. Approve the 2015 auditor's remuneration for the Company and subsidiaries amounting to Baht 3,284,500 annually, an increase of Baht 119,000 to 2014, or 3.76 %, which is in line with the expansion of the business, details are as follows:

Audit fee - The Company only	Baht 1,018,500
Audit fee - Subsidiaries	<u>Baht 2,266,000</u>
Total Auditor's fee	<u>Baht 3,284,500</u>

The Chairman asked whether shareholders required further clarification or if anyone had any comments.

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 2015 and the 2015 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 2015, 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	432,507,361	723,641	915,225	434,146,227
Percentage	99.6225	0.1666	0.2108	100

**Agenda item 8 : To consider other matters**

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

- 1) Khun Lertchai Leelayanakul Shareholder

**Question**

In 2014, the capacity will be increased to 700,000 Sq ft., when will the capacity reach 4 Million Sq ft.? and what will be the market share? and is there still any room for efficiency improvement?

#### Answer

Khun Pitharn Ongkosit explained that the increased to full capacity of 4 Million Sq ft. will be achieved within 3 years. Market share in the world Automotive sector is targeted to increase from 6% to 9-10%. The new plant will have a full capacity of 2 Million Sq ft., and is divided into 3 phases:

Phase-I Already in operations from January 1, 2015, full capacity is 700,000 Sq ft. per month

Phase-II the old plant will be closed and transferred to the new plant in Q3 – Q4 of 2015, full capacity is 600,000 Sq ft. per month

Phase-III the operation will start in Q3/2016, with an additional capacity of 700,000 Sq ft. per month

In regard to efficiency improvements, there is still a room to do so as the new plant will have a higher efficiency and more advance technology. In addition, each year efficiency improvement projects are usually implemented, this will enable a better operational management. Currently, for the control system, there are new systems implemented to help increase efficiency, which will be rolled out to all 3 factories: this includes the Production Planning system which will be changed from manual planning to computerized programming, HR system, Maintenance system and Purchasing system.

#### 2) Khun Amorn Kovanichjaroen Shareholder

##### Question

- 2.1) Last year, Khun Chatchai Koon-Ngam recommended that the auditor finish the audit earlier, it is again suggested that the AGM be held in early April.
- 2.2) As the operation is ramping up, what will be the capacity rate?
- 2.3) In Phase III, is there any precaution, as capacity will be increased; will it become over-supply?, but short of demand; or in case of crisis, will it be a problem?

##### Answer

- 2.1) The Chairman will take this into the consideration.
- 2.2) Khun Pitharn Ongkosit clarified that currently the new plant is running at 30% of Phase-I capacity and it is forecasted to increase to about 50% in the second quarter.
- 2.3) Khun Pitharn Ongkosit pointed out that KCE is in the Electronics Business and currently, it is the right timing for an investment. At the crisis, the important element is "cash" not the "operations", which we try to be very conservation as previously stated in the Agenda item 4, that we have target to adjust DE ratio to be 1:1. Khun Pitharn also shared that while the pricing of Electronics goods continues to decrease, most Electronic companies must do either R&D, modify technology, cost reduction or increase efficiency, however the fastest way is



the capacity expansion. He commented that in case of crisis, the company must ensure that the balance sheet is in a very strong position.

3) Khun Surachet Winiyakul      Shareholder's Proxy (Thai Investors Association)

Question

It was suggested that in the Agenda item 2 regarding the operation results, top management in the operations should be the one to present the matter concerning vision for 2015-2016 and discuss on other matters which is similar to the Q&A session in the Agenda item 8; however for the Agenda item 3, Management in Finance could take up the role. In addition, the Company should report other non-business related performance, such as the Corporate Governance, CSR activities and etc. to the Shareholders.

Answer

The Chairman clarified that the Agenda item 2 is concerning the operation results of the past year, but the Agenda item 8 is for other matters that is not related to any agenda item, which is in accordance with the agenda in the Notice of the AGM and comply with the pertaining law.

Question

The Thai Investors Association would like to follow up the progress regarding the Anti-corruption, as to when will the company get certified?

Answer

Khun Paatoon Taveebhol clarified that the Company signed the Declaration of Intent since 2013, and the Audit Committee had verified the assessment, base on the self evaluation form of CAC, and submitted it to CAC council for approval in March 2015. IOD has informed that KCE became certified member on April 22, 2015, being the 103rd member from 448 participating companies.

4) Khun Pin Ratanaluatai      Shareholder's Proxy

Question

Shareholder has a limited knowledge of the company's management, the only source of information is form the auditor. He asked that the auditor cooperate with the Ministry of Finance in signing the Public company's financial statement not more than 3 companies per person; and asked the auditor to give more comment that would be useful for shareholders.

Answer

Khun Bunyarit Thanormcharoen, representative from KPMG, clarified that the auditor has a regular meeting with the Audit Committee each quarter and has summarized various report for clarification. Auditor's comment on KCE's account was brief, meaning the financial statement was very clean and no problem. In a separate

matter, KPMG Auditor can sign the account not more than 4 companies per person. KPMG has an audit team of more than 700 persons and there are more than 20 auditors whom have been endorsed by SEC. Therefore, it can be guaranteed that the current existing team is sufficient and there is a proper manpower allocation to suit each company.

5) Shareholder

Question

As the company mainly export to Europe, in case that Baht appreciate, will this impact to the profitability?

Answer

Khun Pitharn Ongkosit replied that KCE exports to Europe about 50%, however the revenue in euro currency is only about 17%. As the Baht appreciate or depreciate, there is always some impact to P&L. It is our management's mission to do the best we can.

6) Shareholder

Question

Is there a circumstance that the company must do a price cut in order to compete with China?

Answer

Khun Pitharn Ongkosit clarified that the Company has been long-time produced the automotive PCB, the main competitors are in China, however, currently we also send our products to China. 80-90% of Automotive PCB produced in China and South East Asia.

7) Khun Lertchai Leelayanakul    Shareholder

Question

Who are the key competitors to KCE?

Answer

Khun Pitharn Ongkosit said that KCE is ranked in the world Top 5 PCB maker (for Automotive); the number 1 is CMK - supplier of Toyota, the 2nd is Viasystem, having a big plant in China, the 3rd is Meiko - Japan and the 4th is Chinpoon, having a plant in China and Taiwan. CMK and Meiko supply to Japan, not competing with KCE, while Viasystem and Chinpoon sell in china and Taiwan, which is the direct competitor to KCE.

8) Shareholder

Question

What is the application for Flex PCB that KCE will be producing?

Answer

Khun Pitharn Ongkosit said that we just started to do some study on Flex PCB. The applications is cell phone, hard drive, printer and an equipment that require movements. Thailand is the base for Flex PCB, as Thailand is the world base for the hard drive production.

9) Khun Pornprom Pakpium                      Shareholder

Question

As previously mentioned that 2015 will be the best year regarding the balance sheet management, please elaborate as to which particular part will be done, i.e. further reduce debt, transfer short term loan to long term loan, adjust inventory or increase cash, etc.

Answer

Khun Pitharn Ongkosit clarified that as of the year ended 2014, Net Debt to Equity ratio was down to 0.93 times and the Total Liability to Equity was 1.37 times. The dividend payment was at Baht 1.10 per share, resulted in an increase in cash. By the end of this year, the Total Liability to Equity is expected to be 1:1 times, this represents half of the funding is from Equity and another half from Debt; Short term, Long term, Receivable and Payable will be in balanced position, which means the Balance sheet is quite strong.

**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 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 17.05 hours.

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

\_\_\_\_\_  
-Signed by-                      Secretary to the Meeting  
(Mrs.Tanyarat Tessalee)  
Company Secretary