

(Translation)

Minutes of the 2017 Annual General Meeting of Shareholders (No. 34/2017)

of

KCE Electronics Public Company Limited

Date, time and meeting place

The 2017 Annual General Meeting of Shareholders (the Meeting) took place on April 27, 2017 at 15.00 hours, at the Ballroom, 3rd floor, the Grand FourWings Convention Hotel, 333 Srinakarin Road, Huamark, Bangkok, Bangkok

Prior to the Meeting

Mrs. Tanyarat Tessalee, the Company Secretary, welcomed the Shareholders and Proxies who were present at the Meeting and played a video showing a summary regarding the vote represented at the meeting, explained the voting procedure, vote counting process and the number of votes required to pass a Meeting resolution for each agenda item, by complying with the SET's guidelines of good Corporate Governance, as follows:

- Shareholders use the ballot paper for each agenda item.
- The Company record the votes cast via computerized bar code.
- The Company uses the Shareholders' meeting system (E-Voting) which covers:
 1. The registration
 2. The vote counting
 3. The display of the voting count and the report of the Meeting's resolution

This 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 cast by a Shareholder 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 papers. To expedite the counting of votes, the officer would collect only 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 an approved vote. The result of the votes cast would appear on the screen located in the front of the Meeting room.
- Before a Shareholder cast a vote for an agenda item, the Chairman would allow Shareholders to ask questions relevant to said 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 their 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 closed each agenda, the vote would be regarded as Approved.
- After each agenda is closed, the ballot paper for the previous agenda will not accounted for in the total vote counts.
- In the event that Shareholders/proxies joined the meeting during any agenda item, they could cast votes for that particular agenda and onward. Therefore, total number of shareholders and the vote counts in each agenda can be different.
- Invalid ballots considered null and void;
 1. Ballot papers with more than one mark (except for voting by the Custodian in Thailand)
 2. Ballot papers that have an unclear mark or a correction or crossed-out mark without a signature
 3. Ballot papers that are completely crossed out
 4. Damaged ballot papers that cannot conclude a voteInvalid ballot papers are not accounted for in the total vote counts.
- The Meeting resolution: In general, if the majority of the Shareholders vote to approve an agenda item and the voting is in accordance with the Company's Articles of Association, it is deemed that the Meeting passed the resolution for said agenda item. If a law or regulation determines 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 to be recognized by the Chairman. For the minutes, the Shareholder/Proxy were requested to state his/her name, surname

and whether the person was a Shareholder or Proxy before asking the question or proposing a suggestion. To ensure that the Meeting was conducted in an efficient manner, Shareholders were required to keep their views or questions concise and to the point and relevant to the 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 to be used as evidence for checking the votes cast.

The Secretary of the Meeting announced that in compliance with best practices in respect of Shareholders' right, the Company provided minor Shareholders an opportunity to propose in advance agenda items, as well as an opportunity for qualified candidates to be nominated for election to the Board of Directors for the 2017 AGM. Information regarding this was announced on the Company's website and the SET's news and information system between September 12, 2016, and December 31, 2016. However, no shareholders' proposals were submitted in advance for the agenda items.

Following the vote casting and the vote counting procedures were thoroughly provided, the Secretary of the Meeting reported the agenda items for the Meeting's consideration, according to the Notice of the AGM. The Secretary of the Meeting also informed that the Notice of the AGM was announced on the Company's website from March 16, 2017 to provide an opportunity for shareholders to send any questions related to the meeting agenda in advance. However, no questions were submitted before the Meeting date.

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.

The Meeting commenced

The Chairman welcomed Shareholders and informed the Meeting that on March 29, 2017, 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 586,396,798.

The Chairman informed those present that as the meeting started, there were 67 shareholders attending in person, representing 141,896,119 shares, and there were 1,288 shareholders by proxy, representing 269,155,290 shares, and that in total there were 1,355 shareholders present in person and by proxy, representing 411,051,409 shares, accounting for 70.0978 percent of the Company's total paid-up shares, and more than one-third of the Company's total 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 then introduced the Board of Directors, the company's management, auditors, the legal advisor and the 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 Chairman of the Nomination and Remuneration Committee (The Shareholders' proxy in the Meeting) |
| 3. Mr. Paitoon Taveebhol | Independent Director/ Chairman of the Audit Committee Chairman of the Enterprise Risk Policy Committee (The Shareholders' proxy in the Meeting) |
| 4. Mrs. Voraluksana Ongkosit | Director/ Vice Chairperson of the Executive Board Corporate Governance Committee member |
| 5. Mr. Kanchit Bunachinda | Independent Director/ Audit Committee member Enterprise Risk Policy Committee member (The Shareholders' proxy in the Meeting) |
| 6. Mr. Pitharn Ongkosit | Director/ President and CEO Chairman of the Risk Management Committee |
| 7. Mrs. Siriphan Suntanaphan | Director Enterprise Risk Policy Committee member |
| 8. Dr. Panja Senadisai | Director Nomination and Remuneration Committee member Enterprise Risk Policy Committee member |
| 9. Chantima Ongkosit, MD | Director Chairperson of the Corporate Governance Committee |

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 (Group) and Company Secretary |

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

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|------------------------------|
| 1. Ms. Vipavan Pattavanvivek |
| 2. Mr. Chokechai Ngamwutikul |

Legal Advisor from Seri Manop & Doyle Ltd.

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| 1. Miss Nitaya Kiatserikul |
| Assigned as the observer and inspector of the vote count |

The Chairman then conducted the Meeting by addressing each agenda items as stated in the Notice of the 2017 AGM, as follows:

Agenda item 1: To certify the 2016 AGM minutes

The Chairman informed the Meeting the Company submitted the minutes of the 2016 AGM held on April 28, 2016 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 online on the Company's website (www.kcethai.in.th). So far, there was no correction request from shareholders and the Board has been considered that the minutes of the 2016 AGM was recorded correctly and comply with the resolution made. A copy of the minutes was attached to the Notice of the 2017 AGM (Enclosure 1), which was 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 certify the minutes and asked the Meeting to vote on this agenda item.

Resolution: The Meeting certified the 2016 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 | 410,761,006 | 0 | 936,100 | 411,697,106 |
| Percentage | 99.7726 | 0 | 0.2273 | 100 |

Agenda item 2: To acknowledge the results of the Company's operation of 2016

The Chairman asked Khun Pitharn, the CEO and Khun Tanyarat Tessalee, the Executive Vice President of Finance, to summarize the Company's performance in 2016, to the Meeting as follows:

The Company has summarized its operational performance for the year 2016 and provided details in the 2016 Annual Report that was sent to Shareholders together with the Notice of the 2016 AGM (Enclosure 2), in the following sections:

- Summarized Financial data and Ratio (page 222-223)
- Director's Report (page 224-225)
- Management Discussion and Analysis (page 314-320)

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

○ The Summary of 2016 Operating performance:

The year 2016's performance had continued to be much successful and the Company's operations achieved record results in all aspects; the revenue, profitability and the strong financial position. This is truly a new chapter of KCE's performance.

In the overall, the 2016's operating results reflected the plant expansion at KCE. The Company invested in a new plant at the Ladkrabang Industrial Estate, to expand the production capacity. The construction of the new plant has started since the end of 2013.

Phase 1 of the new plant started operations in January 2015, and continued to ramp up production volume. The Company commenced Phase 2 in 2016 and the new plant's capacity utilization rate ramped up to 83%-90%.

In comparing the performance of the last 3 years:

- Sales increased 10% in 2015 (Phase 1), and continued to increase nearly 11% in 2016 (Phase 2). Sales increased from Bt11,284 million in 2014 (before the New plant) to Bt13,797 million in 2016, which was at 22% accumulated growth.
- Operation profit increased 21.9% in 2015 (Phase 1), and continued to increase nearly 33% in 2016 (Phase 2). Profit increased from Bt1,798 million in 2014 (before the New plant) to Bt2,912 million in 2016, which was at 62% accumulated growth.
- In 2016, the operation profit rate was 21.1% to sales, compared to 15.9% in 2014.
- Net profit increased from Bt1,893 million in 2014 to Bt3,038 million in 2016.
- EBITDA increased from Bt2,640 million in 2014 to almost Bt4,200 million in 2016.

The improvement of the profitability was largely due to better economies of scale following the increase in production capacity at the new plant, resulted in a significant cost reduction; and improved manufacturing efficiency, including the intensive cost control measures.

○ Key Financial Ratio:

Return on Shareholders' Equity was 30.3%, which is considered a high rate

Return on Asset was at 17.5%

Current ratio represented a better liquidity of 1.48 times

Debt to Equity ratio was as low as 0.45 time, due to lower debts and higher equity as a result of high profit for the year

Credit Rating:

April 9, 2017, Fitch Ratings has assigned "A-(Tha)" National Long-Term Rating to KCE Electronics Public Company Limited.

○ Awards of success:

■ SET Awards 2016:

KCE was awarded the "Outstanding Company Performance Awards" for the second consecutive years, and won the "Best Company Performance Awards" for the company with market capitalization of Bt30,000 to Bt100,000 million.

CEO of KCE, Khun Pitharn Ongkosit, was awarded the "Outstanding CEO Awards" for the second consecutive years, and was awarded the "Young Rising Star CEO Award" in 2016.

■ KCE was awarded an "Excellent (5 stars)" ranking for its CG based on a survey of listed companies in 2016 for the second year.

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

1) Khun Anu Vongsarakit Shareholder

Question: Is capacity of Phase 1 & 2 fully utilized? When will Phase 3 begin? Are customers' orders being filled?

Answer: Capacity of Phase 1&2 reached full capacity last year at 1.3 sq. ft. per month. Phase 3 partially began operating at the end of 2016 with 200,000 sq. ft. We are in the process of installing additional machinery that will add a capacity of 300,000 sq. ft. in 2Q17. Customers' orders are improving.

Question: Did the capacity of the Laminate and Chemical businesses also increase following KCE's expansion?

Answer: Yes, Thai Laminate Manufacturers made an additional investment last year and this year.

Question: Due to fluctuations of the Baht the last year, how did the Company manage its currency risk? What was the impact on the Company? Did the Company enter into any forward hedging contracts, and was it effective?

Answer: The Company has a 50% natural hedge, as 80% of sales are in USD, 13% in EUR, and 7% in JPN, GBP and the THB. As 80% of sales are in USD and 50% of raw materials are in USD, every 1% the THB appreciates will impact the bottom line by 0.30%. In case the Baht appreciates against both the USD and EUR by 1%, the impact would be 0.43%. The Company has always utilized a natural hedging strategy. We have even increased the degree of natural hedge with long-term hedging by obtaining long-term loans in USD for the purchase of new machinery at the new plant. As a result, when the Baht appreciates against the dollar, the Company will obtain a foreign exchange gain. This is similar to the use of financial tools such as forward contracts but on a longer-term basis, which is also considered to be currency hedging, which thereby increases the natural hedge for the Company.

Question: The price of Copper in the global market

Answer: We always been conservative in entering into hedging or futures contracts. In 2008, we hedged approximately 70% of our total copper usage and experienced a loss from hedging of about Bt300 million. The problem concerning Copper hedging is that the price of Copper is high when the economy is good. The price has a strong correlation with the economy because it is used in construction of all types of infrastructure. This results in a high risk for hedging Copper. When the price rises, it means the economy is strong, and the Company can then adjust selling prices accordingly. But if the Company has engaged in a lot of hedging and then the economy experiences a downturn and the price of Copper price decreases, business will not be as good and the Company will experience a hedging loss as occurred in 2008. The Company must therefore be very cautious. Our policy is that we will not hedge more than 6 months and will not hedge more than 30% of the total usage. As we do not engage in much hedging, when the price of Copper rises there will be some impact on the Company's operating results.

There being no further inquiries from shareholders at the Meeting, the Chairman proposed the Meeting to acknowledge the Company's 2016 performance, as reported.

Resolution: The Meeting acknowledged the results of the Company's 2016 operating performance.

Agenda item 3: To consider and approve the Company's financial statement for the fiscal year ended December 31, 2016

The Chairman asked Khun Tanyarat Tessalee, the EVP of Finance, to report the Company's financial statements for the year ended December 31, 2016, 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 detailed in the 2016 Annual Report (page 332-405), which was sent to shareholders together with the Notice of 2017 AGM.

The Company's financials were highlighted as follow:

Statements of financial position as at December 31, 2016

Total Asset:

As at December 31, 2016, total asset was valued at Bt17,327 million, increased by Bt497 million or 3%, mainly from the followings:

- Cash increased
- Increased Inventories, following business growth

- Property for Investment increased

Total Liabilities:

As at December 31, 2016, total liability was valued at Bt7,300 million, a net decrease of Bt1,429 million, due to good operating results, high profit and increased cash flow. As a result:

- Short-term loans decreased
- Long-term loans decreased, mainly due to the loan prepayment

Total Equity:

As at December 31, 2016, total equity was valued at Bt10,027 million, increased by Bt1,927 million or 23.8%, mainly from the followings:

- 1) Profit earned for the year 2016, amounted to Bt3,056 million
- 2) Capital increased of Bt88 million, from the exercise of warrant to purchase ordinary shares of the Company
- 3) Decreased by the dividend payment of Bt1,171 million

Statements of comprehensive income for fiscal year 2016

Revenue from Sales of Goods

Revenue from Sales of goods was Bt13,797 million, increased by Bt1,348 million, or 11%, detailed were previously described in the agenda item 2.

Total Income

Total Income was Bt13,978 million, increased by Bt1,446 million, of which the total income in 2016 included gain from exchange rate changed.

Net profit

Profit attributable to the Company in 2016 amounted to Bt3,038 million, representing an increase of Bt798 million or about 35.7%.

Earnings per share

The basic earnings per share was at Baht 5.23 from Baht 3.93 per share in the last year.

Khun Tanyarat Tessalee declared that the Audit Committee and the Board of Directors have reviewed the financial statements and recommended that it was appropriate to propose to the shareholders to consider and approve the mentioned financial statements for the year ended December 31, 2016.

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

1) Khun Anu Vongsarakit Shareholder

Question: Did the Company settle the additional tax payment on income received from an insurance claim (Bt22 million) with the Revenue Department?

Answer: Yes, the Company already made payment to the Revenue Department last year.

Question: Will EJIP continue in this year?

Answer: Yes, the program will be continued for a full year this year.

There being no further inquiries from shareholders, the Chairman proposed that shareholders approve the Company's financial statements for the year ended December 31, 2016.

Resolution: The Meeting approved the Company's financial statements for the year ended December 31, 2016 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 | 410,448,406 | 0 | 1,250,300 | 411,698,706 |
| Percentage | 99.6963 | 0 | 0.3036 | 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 2016

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 appropriation for legal reserve, as at December 31, 2016, 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 Company's registered capital. The Company fully appropriated its annual net profit for legal reserve in accordance with the related law, and, therefore, no additional statutory reserve is required.

With regard to the dividend payment of 2016, the separate financial statements indicated that the Company earned net income of Baht 3,482 million and Baht 3,038 million in the consolidated financial statement of 2016, therefore, the Board propose to pay dividend of Baht 2.10 per share (Baht two and ten satang per share). The dividend will totaled to Baht 1,230 million or 40.50% to the consolidated net profit, which was in line with the dividend policy.

However, the Board Meeting No. 8/2016, held on August 9, 2016, passed a resolution approving the interim dividend payment for the first six month period of the year (January – June 2016) of Baht 1.00 per share (Baht one per share), and paid on September 9, 2016. The Board, therefore, proposed that shareholders consider and approve the dividend payment for the second half of 2016 operating results (July – December 2016) of Baht 1.10 per share (Baht one and ten satang per share). The Company will pay dividend to shareholders whose names appear in the share register as of the record date set for determining which shareholders are entitled to the dividend on March 28, 2017. The share register shall be closed on March 29, 2017, in compliance with Section 225 of the Securities and Exchange Act, B.E. 2535 (amended), and dividend payment shall be made on May 15, 2017.

In addition, Khun Pitharn informed that the dividend payment for the second half of the year of Baht 1.10 per share was paid from the 2016 Company's net profit, which comprise:

- | | | |
|---|---|---------------------|
| - | The profit from BOI promoted operation (no withholding tax is applied) | 0.95 Baht per share |
| - | The income from dividend received from Subsidiaries, exempt for taxable income (10% withholding tax is applied) | 0.15 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 was no questions raised.

There being no further inquiries from shareholders, the Chairman proposed that Meeting approve the 2016 annual dividend payment, as proposed by the Board.

Resolution: The Meeting approved that no additional appropriation of the 2016 net profit to legal reserve be made and approved the 2016 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 | 410,953,706 | 0 | 748,200 | 411,701,906 |
| Percentage | 99.8182 | 0 | 0.1817 | 100 |

Agenda item 5: To consider and approve the election of the Directors to replace those who retire by rotation for the year 2017

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 shall retire at the AGM. At 2017 AGM, the following three directors retired by rotation:

- | | |
|---------------------------|------------------------|
| (1) Dr. Panja Senadisai | Non-Executive Director |
| (2) Chantima Ongkosit, MD | Non-executive Director |
| (3) Mr. Pitharn Ongkosit | Executive Director |

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

The Company provided shareholders an opportunity to propose in advance qualified candidates to be nominated for election to the Board of Directors. The information was announced on the Company's website and on the SET's news and information system between September 12, 2016 and December 31, 2016. However, no shareholders nominated candidates for election to the Board of Directors.

The Board, excluding members having a conflict of interest, agreed with the Nomination and Remuneration Committee's proposal that the AGM consider and approve the reelection of three directors who are to retire by rotation in 2017, and by so doing they shall resume their positions as Director for another term.

The Board has considered the information pertaining to the three Director nominated and found that all three directors have appropriate qualifications in compliance with the Public Limited Company Act and the SEC, talent, valuable experience to the Company's business and good past performance as a Director. In this regard, they are deemed suitable to assume the position of Director, as to smooth out the ongoing Company's operation.

The detailed information pertaining to the three Directors were attached to the Notice of the 2017 AGM (Enclosure 3), which was sent to shareholders.

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 the Meeting consider and approve the election of Director, individually, to replace those who retire by rotation in 2017, as proposed by the Board.

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) Dr. Panja Senadisai : to resume the position as Director for another term

| | Approved | Disapproved | Abstention | Total |
|-----------------|-------------|-------------|------------|-------------|
| Number of votes | 386,251,408 | 23,914,998 | 1,535,500 | 411,701,906 |
| Percentage | 93.8182 | 5.8088 | 0.3729 | 100 |

2) Chantima Ongkosit, MD: to resume the position as Director for another term

| | Approved | Disapproved | Abstention | Total |
|-----------------|-------------|-------------|------------|-------------|
| Number of votes | 388,030,208 | 22,444,198 | 1,227,500 | 411,701,906 |
| Percentage | 94.2502 | 5.4515 | 0.2981 | 100 |

3) Mr. Pitharn Ongkosit: to resume the position as Director for another term

| | Approved | Disapproved | Abstention | Total |
|-----------------|-------------|-------------|------------|-------------|
| Number of votes | 403,539,906 | 7,413,500 | 748,500 | 411,701,906 |
| Percentage | 98.0174 | 1.8006 | 0.1818 | 100 |

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

Agenda 6: To consider and approve the determination of remuneration of Directors for the year 2016

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 2017 for approval.

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 of the Board 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 recommended that shareholders approve the remuneration for the Board of Directors and Audit Committee for 2017, as follows:

| | Annual fee (Baht/Person/Year) | Meeting fee (Baht/Person/Time) |
|-------------------------------|----------------------------------|-----------------------------------|
| <u>Board of Directors</u> | | |
| Chairman of the Board | 1,600,000 | 35,000 |
| Director | 800,000 | 30,000 |
| <u>Audit Committee</u> | | |
| Chairman of the Committee | 460,000 | 35,000 |
| Member of the Audit Committee | 380,000 | 30,000 |

The Chairman of the Nomination and Remuneration Committee clarified that the remuneration of the Directors for 2017 would remain the same since 2015.

So as to the remuneration for the Audit Committee in 2017, that would remain the same as well, except showing a breakdown of total remuneration amount into the annual fee and meeting fee.

(Given there are 4 meetings in a year)

The remuneration of other Sub-committee: -Nil-

Other benefits: -Nil-

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

1) Khun Anu Vongsarakit Shareholder

Question: As the Company posted good operating results the past few years, why not increase remuneration for Directors?

Answer: We will consider this matter next year.

As there was no further question or comment, the Chairman proposed that the Meeting consider and approve the remuneration for the Board of Directors and Audit Committee for 2017, as proposed by the Board.

Resolution: The Meeting approved the 2017 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 | 410,970,356 | 300 | 748,200 | 411,718,856 |
| Percentage | 99.8182 | 0.0000 | 0.1817 | 100 |

Agenda 7 : To consider and approve the appointment of the auditor and approve the auditor's remuneration for fiscal year 2017

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 2017 to the Meeting.

The Board considered and agreed with the Audit Committee's proposal to recommends shareholders to appoint auditors and approve the 2017 auditor's remuneration as follows:

1) Appoint auditors from KPMG Poomchai Audit Ltd., by stipulating that any one of the listed auditors serve as the external auditor and provide an opinion on the Company's and its subsidiaries' financial statements for the year 2017:

- | | |
|----------------------------------|---------------------------------|
| 1) Ms. Vipavan Pattavanvivek | CPA Registration No.4795 and/or |
| 2) Ms. Marisa Tharathornbunpakul | CPA Registration No.5752 and/or |
| 3) Ms. Munchupa Singsuksawat | CPA Registration No.6112 and/or |
| 4) Mr. Chokechai Ngamwutikul* | CPA Registration No. 9728 |
- (*Mr. Chokechai Ngamwutikul will be appointed as subsidiary's auditor only)

KPMG Poomchai Audit Ltd. is the audit firm that has a good working standard, expertise in the auditing and have been endorsed by SEC.

The proposed auditors are knowledgeable and posses good experiences in the auditing. These 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 that could affect the independence of the audit work. The details of the Auditors were attached to the Notice of the 2017 AGM (Enclosure 4), which was sent to shareholders.

In case the above auditors are not able to perform their duty, KPMG is authorized to assign other auditors from the offices of KPMG to perform the audit and provide an opinion on the Company's and subsidiaries' financial statements.

2) Approve the 2017 auditor's remuneration for the Company and subsidiaries, all together 8 companies, amounting to Baht 3,735,000 annually, an increase of Baht 233,000 to 2016, or 6.65%, which is in line with the business expansion and the adoption of new Accounting standard at all subsidiaries, details are as follows:

| | |
|------------------------------|-----------------------|
| Audit fee - The Company only | Baht 1,120,000 |
| Audit fee - Subsidiaries | <u>Baht 2,615,000</u> |
| Total Auditor's fee | <u>Baht 3,735,000</u> |

3) The Board recommended that shareholders empower the Board in the appointment of the company's auditor and approve the audit fee for any new subsidiaries, associates and joint ventures that may be established or changed during 2017.

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 2017 and the 2017 Auditor's remuneration for the Company and its subsidiaries, as proposed by the Board. The Meeting also empower the Board in appointing the company's auditor and approving the audit fee for any new subsidiaries, associates and joint ventures that may be established during 2017.

Resolution: The Meeting approved the appointment of the Company's auditors and the Auditor's remuneration for 2017 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 | 410,635,394 | 335,262 | 748,200 | 411,718,856 |
| Percentage | 99.7368 | 0.0814 | 0.1817 | 100 |

Agenda 8: To consider and approve the reduction of the Company's registered capital in the amount of 1,029,713 shares by cancelling unissued shares, and an 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 informed the Meeting the Company has a total of 1,029,713 unissued ordinary shares, which are the shares to be reserved for 1) the exercise of warrants to purchase the Company's share (KCE-W2) which was allocated to the existing shareholders in the amount of 984,713 shares and 2) the exercise of warrants to purchase the Company's share (ESOP-W5) in the amount of 45,000 shares, but both projects have been expired. In order to comply with the Public Limited Companies Act, the Board of Directors considers it appropriate to propose to the AGM to approve the reduction of its registered capital in the amount of Baht 1,029,713 from the current registered capital of Baht 587,426,511 to Baht 586,396,798 by cancelling 1,029,713 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 cancelling the existing provision and replacing it with the following provision:

"No. 4 Registered Capital Baht 586,396,798 (Five hundred eighty-six million
three hundred ninety-six
thousand seven hundred and

| | | |
|-------------------|--------------------|---|
| | | ninety eight Baht) |
| Divided into | 586,396,798 shares | (Five hundred eighty-six million three hundred ninety-six thousand seven hundred and ninety eight shares) |
| With par value of | Baht 1 | (One Baht) |
| Divided into | | |
| Ordinary shares | 586,396,798 shares | (Five hundred eighty-six million three hundred ninety-six thousand seven hundred and ninety eight shares) |
| Preferred shares | - | - " |

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

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 587,426,511 to Baht 586,396,798 and the amendment to Article 4 of its Memorandum of Association to reflect the reduction of its registered capital.

Resolution: The Meeting approved the reduction of its registered capital in the amount of Baht 1,029,713 from the current registered capital of Baht 587,426,511 to Baht 586,396,798 by cancelling 1,029,713 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 | 404,817,349 | 6,153,307 | 748,200 | 411,718,856 |
| Percentage | 99.3237 | 1.4945 | 0.1817 | 100 |

Agenda item 9 : To consider other matters

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

1) Khun Anucha Teerasakulchon Shareholder

Question: Will President Trump's trade policy aimed at supporting domestic US industries cause any problem for KCE?

Answer: Thailand has lower trade deficit with the US than China. As China is Thailand's main competitor in the PCB market and as roughly 70% of PCB production takes place in China and Taiwan, if the US government raises the tax rate on imports from Thailand in the same percentage as it levels on China and Taiwan, there will be no effect on Thailand as most PCBs for electronics are produced in China and Taiwan.

One fact is that PCBs are only a raw material that are sent to the US for further production in building an equipment for cars. PCBs are not the finished product. An increase in tax on raw material will not do any good, as it will push up prices on finished products and result in a worse competitiveness in the US local market. Boosting the domestic US industry can be effective by raising the tax on imports of finished products, not on raw materials.

For KCE, we produce raw materials to export to the US to make equipment for vehicles, which will not have any effect. The worst case would be that the US raises the tax on the raw material, but if the tax rate for Thailand is the same as that of China, KCE would not be affected as most of our competitors are in China.

2) Khun Anu Vongsarakit Shareholder

Question: 1) We would like to know this year's targets, strategy and investment plan, especially for EV cars, connected cars; and
2) the Company's consignment policy and sea freight shipments, whether this is temporary or long term, and what effect would this have on the Company's operating results, both positive and negative.

Answer: Sea freight shipments:

We experienced a problem in 2016. Formerly when customers send their freight forwarder to pick up goods from the factory, we immediately book sales. In 2016, two major customers changed the procedure in order to extend their payment terms. Now, even though the freight forwarder already picked up goods from the factory, the day was not counted until the goods were delivered to the customer's site. This caused a delay in realizing sales on an accounting basis. As the change was made by two major customers, the effect was significant. The effect occurred in 3Q and 4Q last year, which resulted in sales being under-recorded and inventory remaining high, even though the goods were sold. The unrealized portion of sales was Bt487

million at the end of 2016, which will disappear gradually. The effect will be seen a little in 1Q17 and totally disappear in 2Q17.

Business direction

In the past 3-4 years, we concentrated on efficiency and cost saving, which we are good at and will keep doing. However, in the future cost-saving could become more difficult and result in less saving. The business direction will be toward "technology" such as by increasing R&D, producing high layer count products, using laser machinery in PCB production, etc. As a matter of fact, this new direction has already been implemented since a year ago, and we expect to see results next year and the following years. Eventually, product margins will increase and be more high-tech, for example, radar technology used in cars and parts for advanced driver-assistance systems, or ADAS.

The EV business is certainly a good opportunity for us. It will increase demand for electronic components used in vehicles. We have been involved a lot with customers for onboard chargers (OBC), batteries that will be put in EV cars. However, it will take a long time to develop EVs. Despite having a good growth rate, it might not be as fast as expected. The Automotive market will definitely drive growth for KCE over the next 10 years, while other industries might be slower. KCE is in the Automotive industry accounting for 70% of our business, and auto electronic will continue to grow.

We keep trying to develop new technology so that we can enter into high-tech markets. Being in the Internet market, the IoT and wearable will be growing tremendously. These products will require high-layer count PCBs, the kind that we are developing. This is one of our alternative markets that we have endeavored to enter in order to support growth in the automotive sector, which is our main market.

3) Khun Vijoom Tancheewawong Shareholder

Question: Referring to the Annual report on page 152, in the Note to Financial Statement item # 7, the Inventory of Bt376 million - the trend is increasing. Is this increase caused by the business or from the Mercedes Benz customer?

Answer: The increase in inventory is a matter that we already explained, regarding sea shipments that are on consignment. It is goods that were already sold, shipped to customers, but sales were not yet booked. As a result, inventory increased but customers must use parts totally within 1 month or per the agreement. The inventory figure will be growing when the business is increasing, and will be stable later on.

4) Khun Sinpong Yajan Shareholder

Question: In case it is necessary for KCE to build a factory in the US, would there any cost advantage? I heard that Delta Electronic plans to build a factory in the US.

Answer: First of all, Delta is different than KCE, as Delta is a factory assembly work, where their products are finished goods, but KCE's products comprise the raw material.

In building a factory in the US, we would not gain a labor cost advantage but obtain full advantages in process, cost saving, efficiency, and system or technology that currently exists and is being used. Even raw material that is currently produced at TLM can be transferred to the production facility to the US. If we need to build a factory in the US, we would be able to compete with local competitors, as the facilities that we have today in Thailand could be transferred to the US plant.

5) Khun Siriporn Chinsuwan Shareholder

Question: Referring to the Annual report on page 17, why are revenues from Prepreg and Laminate businesses as well as the Chemical business decreasing even though the overall businesses are growing?

Answer: In summary, the total revenue for both businesses were not decreasing. The revenue figure shown on page 17 is "Revenue from external customers only," which was decreasing.

Mr. Paitoon Taveebhol, the Chairman of the Audit Committee, helped provide a better understanding in regard to the principle of preparing the consolidated financial statement, where purchases and buy transactions between TLM and KCE will be offset, and thus are not shown in the consolidated financial statement.

It was further explained that when KCE expanded the factory, most of TLM's capacity was allocated to support KCE's requirement, so less capacity was left for external customers. TLM also does not grow in the same ratio as KCE, so they do not produce enough and must reserve volume from external customers to the KCE group. This does not mean that TLM had lower production, as TLM's total revenue grew every year (see the "Sector Information" in the Annual report page 192). In addition, selling to KCE provides more benefit, as it helps reduced wastage. Selling to KCE does not result in lower profits for TLM as TLM's profits have grown even with lower sales to external customers.

6) Khun Ekawit Sooksomboon Shareholder

Question: What is the threat to KCE in the future that may affect operating results?

Answer: As KCE is an exporter, the key risk to its operating results is FX in USD and EUR, Copper, the Copper Foil price and global economic crisis. As 70% of KCE's business is tied to vehicle sales, which is a big spending item, at the time of an economic crisis the car sales may decline.

7) Khun Kraipit Jirawongprapa Shareholder

Question: IoT concept, how long the boom time will come?

Answer: IoT or the Internet of Things refers to "Things" that would enable people to do many other activities or having "Things" that can control the house or telephone, that would make life easier. This has already happened in the US, but connectivity has not yet made standard as each supplier, for example Samsung, wants to use the "Thing" to connect Samsung's products only, whereas Apple might not want the same. This has become a restriction preventing complete migration. Eventually, IoT's time will come, but it will not yet boom as it will take time to develop all the necessary standards and to improve all other systems in the house to be electronic capable.

Question: How much further R&D is needed for Auto PCBs for use with IoT?

Answer: PCBs for the automotive segment is more difficult than IoT PCBs, but IoT PCBs require a higher layer count. For IoT PCBs, we need R&D in terms of technique and scrap reduction, but quality will not necessarily be higher. IoT is similar to a computer in that when it is broken, it will be thrown away, and that means the quality requirement is different. Automotive PCBs require the highest reliability, while IoT PCBs have other requirements.

8) Khun Thanawit Laohanan Shareholder

Question: After Phase 3 is completed, is there any plan for new expansion, and if so, where?

Answer: Phase 3 is expected to reach full capacity in 2018-19. A new factory is planned with similar capacity of 2 million sq.ft. We have not yet decided on the location. As PCBs are a BOI-promoted business, we need to study the latest promotion strategy before we consider where to build the factory. Selection of the location of the new factory should take into account full benefit of the BOI's incentives.

9) Khun Sinpong Yajan Shareholder

Question: What is the trend of EVs and the impact on the Company?

Answer: An electric vehicle must use many times more PCBs than are currently used. If EV vehicles come, there will be an increased requirement for PCBs, which we might not be able to meet. But it would certainly be good for KCE.

10) Khun Sinjai Janechangkon Shareholder

Question: As KCE is a company listed in the SET50, should it join with the SET on Opportunity Day?

Answer: We will consider the request. Nowadays, we do not join many activities or road shows, as we prefer to concentrate on operations at the new factory. However, if shareholders wish to see us on Opportunity Day, we could sometimes join with SET, but not every quarter.

11) Khun Anu Wongsarakit Shareholder

Question: Is the Company's customer base expanding, and is the Company obtaining new orders from existing and new customers?

Answer: Existing customers continue to place orders, and there is a potential for them to increase orders.

Remark:

1. 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.
2. The Company will record the meeting minutes for the questions and suggestions that relate to the proposed agenda for the Meeting only.

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. The Chairman reminded shareholders to leave their remaining ballot papers with the officer at the exit.

The Meeting adjourned at 17.05 hours.

_____ -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