



**KCE ELECTRONICS
PUBLIC COMPANY LIMITED**

Registration No. 0107535000354

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January 3, 2018

Subject Additional Acquisition of KCE America (Updated)

To The Director and Manager
The Stock Exchange of Thailand

The Board of Directors meeting of KCE Electronics Public Company Limited ("the Company") number 12/2017 held on December 4, 2017, passed a resolution approving the Company entering into a transaction of the Acquisition of Assets, which is the purchase of 22,500 ordinary shares of KCE America, Inc. ("KCEA"), (its associate company), price of USD 220 per share, representing a proportion of 45% of the total issued and paid up shares, totaling value USD 4.95 million, BOT exchange rate of December 29, 2017 at 32.659 baht (equivalent to approximately Baht 161.66 million) from the former shareholder, who has no relationship and/or any connection with the directors, managements, major shareholders or any controlling person of the Company. When the share acquisition completed, KCEA will become a subsidiary of the Company.

The details pertaining to the transaction of the Acquisition of Assets are as follows:

1. Transaction Date

KCE Electronics Public Company Limited will enter the transaction after the Board passed a resolution approving the acquisition of assets in the Company's Board of Directors' Meeting within January 1, 2018.

2. The parties involved and the relationship with the Company

Buyer : KCE Electronics Public Company Limited

Seller : Mr. Frederick Rust Rhodes

The shareholders of KCEA consist of the following:

	List of shareholder	Number of shares	Proportion
1.	Mr. Frederick Rust Rhodes	22,500	45.00%
2.	KCE Electronics PCL	12,500	25.00%
3.	KCE International Co., Ltd. (Subsidiary of the Company)	12,500	25.00%
4.	Mr. Frederick O'Hanian	2,500	5.00%

Relationship between Buyer and Seller: Not related to the criteria of the SEC.

3. The general characteristic and the size of transaction

The general characteristic: KCE Electronics Public Company Limited shall acquire 22,500 ordinary shares of KCE America, Inc. (KCEA), will buy from existing one shareholder, at a proportion of 45% of the total issued and paid up shares, from the former shareholder, totaling value USD 4.95 million (equivalent to approximately Baht 161.66 million)

Following the transaction, the shareholders of KCEA will consist of the following:

List of shareholder	Before Transaction		Acquisition / (Disposal)	After Transaction	
	Number of Share	Proportion	Number of Share	Number of Share	Proportion
1. Mr. Frederick Rust Rhodes	22,500	45%	(22,500)	-	-
2. KCE Electronics PCL	12,500	25%	22,500	35,000	70%
3. KCE International Co., Ltd.	12,500	25%	-	12,500	25%
4. Mr. Frederick O'Hanian	2,500	5%	-	2,500	5%

Size of transaction : This transaction is deemed an Acquisition of Assets according to the Notification of the Capital Market Supervisory Board No. Tor. Chor. 20/2551 Re: Rules on Entering into Material Transaction deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies concerning the acquisition and disposition of Assets B.E. 2547 (2004) (the "Notification of the Acquisition or Disposition of Assets"). Calculation results of the transaction size according to each method are as follows:

(Unit : THB million)

Financial Statements Quarter 3 / 2017	KCE	KCEA
Total current assets	7,393	894
Intangible assets	324	2
Goodwill	117	-
Total assets	17,587	949
Total current liabilities	4,784	805
Total liabilities	6,909	806
Non-controlling interests	41	-
Total equity	10,637	143
Net Profit (Oct 1, 2016 – Sep 30, 2017)	2,637	6
NTA	10,195	142
Purchased value		161.66

1. NTA Basis	$\frac{45\% \times 142 \times 100}{10,195}$	0.63%
2. Net Profit Basis	$\frac{45\% \times 6 \times 100}{2,637}$	0.11%
3. Total Consideration Value Basis	$\frac{161.66 \times 100}{17,587}$	0.92%

From the calculation, the maximum transaction size accounts for 0.92% of total assets of the Company and its Subsidiaries as at September 30, 2017 in accordance with the Total Value of Consideration basis, which is less than 15%, therefore the transaction is not required to comply with the regulations of the Notification of the Acquisition or Disposition of Assets.

4. Details of the acquired assets

Asset characteristic : 22,500 ordinary shares of KCE America, Inc., price of USD 220 per share, at a proportion of 45% of the total issued and paid up shares

Business characteristic : The overseas Sale Representative (America region)

Company address : 954 San Rafael Ave., Mountain View, CA 94043 USA

Registered Capital : USD 50,000 divided into 50,000 ordinary shares at USD 1 per share, fully paid-up

Company Directors :

1. Mr. Frederick Rust Rhodes
2. Mrs. Phorphol Rhodes
3. Mr. Pitham Ongkosit
4. Mrs. Voraluksana Ongkosit

Summary of Financial Information of KCE America, Inc.

Financial Statements as at September 30, 2017

Total Asset	THB	948,991,526
Total Liability		805,592,152
Shareholder's Equity		143,399,374
Total Revenue (Jan 1, 2017 – Sep 30, 2017)		1,489,311,649
Net Profit (Jan 1, 2017 – Sep 30, 2017)		4,967,570
Book Value (THB/ Share)		2,868

Financial Statement of KCE America

Unit : Baht

Financial statement	2016	2015	2014
Total Assets	902,564,084	945,928,160	756,669,031
Total Liabilities	753,928,599	803,328,389	630,852,955
Total equity	148,635,485	142,599,771	125,816,076
Total Income	2,221,879,600	2,191,709,885	1,999,692,230
Net Profit	8,746,623	5,813,560	10,493,390

5. Total Value of Consideration

The Company will acquire 22,500 ordinary shares of KCE America, Inc., price of USD 220 per share, at a proportion of 45% of the total issued and paid up shares. The total value of consideration used for the calculation of the transaction size, includes tangible and intangible asset, liability and all obligations of KCEA.

6. Value of assets acquired

The acquired asset from the transaction is 22,500 ordinary shares of KCE America, Inc. at a proportion of 45% of the total issued and paid up shares, which the book value is Baht 64,529,718 as at September 30, 2017. The purchase price derived from the Business valuation of American Appraisal (Thailand), and the Property Valuation from Colliers International Valuation and Advisory Services Ltd. in USA. The appraisal value is approximately at USD 9.50 million.

7. Basis used to determine the value of the consideration

The value of the acquired share is the agreed upon price between the parties, the buyer and the seller, considering the return on investment as the importance factor, whereby the fair value of Assets is determined and potential profitability in the future is evaluated, using the appropriated financial valuation methodology. The valuation results have been reviewed by the Audit Committee and the Board.

8. Expected benefits of the investment

- To streamline the policy and marketing strategy to the group's objectives, to be a leader in the production of electronic circuit boards which will enhance the business growth and sustainability.
- Increase share of profit from investment and assets in the consolidated financial statement, which will result in a stronger financial position for the group

9. Source of fund

The Company will acquire fund from cash flow from operation.

10. Board of Directors' opinion regarding entering the transaction

The Board of Directors has passed a resolution approving the entering into a transaction for the Acquisition of KCEA's ordinary shares, with an opinion that the transaction is appropriated and highly beneficial to the Company and shareholders.

- Capability of expanding the control over sales through sales representations owned by the company for more than 50% of total Sales .

11. Opinion of the Audit Committee and/or directors of the Company that is different from the Board's in item No. 10.

- None -

The above mentioned information is not within the term of an Acquisition Assets and the related transaction under the regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand.

Please be informed accordingly.

Sincerely yours,



(Mrs. Voraluksana Ongkosit)

Executive Vice Chairperson

