KCE ELECTRONICS
PUBLIC COMPANY LIMITED
Registration No. 0107535000354

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July 12, 2016

Subject: Acquisition of Assets

To: The Director and Manager
The Stock Exchange of Thailand

The Board of Directors' Meeting of KCE Electronics Public Company Limited ("the Company") No. 7/2016, held on July 12, 2016, passed a resolution approving the Acquisition of Assets, follows:

1) The Board approved the replacement of machinery by KCE Technology Co., Ltd., the Company's subsidiary, in order to increase production efficiency and capacity.
2) The Board approved the establishment of a new subsidiary company.

The transactions are deemed an Acquisition of Assets according to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551, Re: Rules for Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (Rules on Acquisition or Disposition), and the Notification of the Stock Exchange of Thailand (SET), Re: Disclosure of Information Concerning the Acquisition and Disposition of Assets of Listed Companies B.E. 2547 (Notification of Acquisition or Disposition of Assets). The mentioned transactions are not within the term of related transactions, and the highest cumulative transaction size accounts for less than 15%, calculated in accordance with the Total Value of Consideration basis; therefore, the transactions are not categorized as Type 1-4.

Details of the Acquisition of Asset transactions are as follows:

1) The Board Approved the replacement of machinery by KCE Technology Co., Ltd., ("KCET"), the Company's subsidiary, in order to increase its production efficiency and capacity.

1. Transaction Date

   KCET will enter into the transaction after the Board approved said Acquisition of Assets in the Company's Board of Directors' Meeting No. 7/2016 on July 12, 2016.

2. The parties involved and the relationship with the Company

   Machinery, Equipment and Manufacturing Support Equipment

   Buyer: KCE Technology Company Limited

Seller: Companies that sell machinery and equipment in their normal course of business, mostly overseas.

Ta Liang Technology Co., Ltd.	Taiwan
Chime-Ball Technology Co., Ltd.	Taiwan
Microsys Engineering Co., Ltd.	Switzerland
Orbotech Co., Ltd.	Israel
DKK Engineering Co., Ltd.	Japan

Relationship between the Buyer and Seller: None.

3. The general characteristic and size of the transaction

KCE Technology Co., Ltd., the Company's subsidiary, will invest in new machines that are modern and more efficient to replace old machines in a Project to improve efficiency, enhance production capability and expand output capacity. The total investment will be Bt250 million.

Transaction type: The transaction is not categorized as Type 1 - 4.

Size of transaction: This transaction is deemed an Acquisition of Assets according to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551, Re: Rules for Entering into Material Transaction deemed as Acquisition or Disposal of Assets, and the Notification of the Stock Exchange of Thailand (SET), Re: Disclosure of Information Concerning the Acquisition and Disposition of Assets of Listed Companies B.E. 2547," being the highest value at 1.46% of the total assets of the Company and its subsidiaries as at March 31, 2016, using the Total Value of Consideration basis, and being the highest cumulative value of 1.46% of the total assets of the Company and its subsidiaries when accumulating all transactions in the past 6 months prior to this transaction date. The transaction size is less than 15%; therefore, the transaction is not categorized as Type 1 - 4, in pursuant to the Notification of the Acquisition or Disposition of Assets.

4. Details of the acquired assets

The investment in the Project is to purchase new machines to replace old machines in order to increase efficiency and expand the output capacity of KCET's factory. The new machines will be able to support various board size, thus resulting in an increase in output volume of approximately 14%. The big-size board is roughly 20% of the total volume produced. In addition, the Project will enhance production efficiency so that products can be made even faster with good quality, and to reduce the cost of goods. After the project is completed, output will increase from 1.1 million sq.ft. per month to 1.2 million sq.ft. per month. Operations

will commence in the first quarter of 2017, and the Company will then be ready for greater operations in the future.

The new machines to be purchased include:

1. Automatic Visual Inspection machine
2. Exposure Machine
3. Routing Machine
4. Photo Plotter Machine
5. Automatic Loader/ Un-Loader
6. Test Equipment and other supporting equipment

5. Total Value of Consideration

The value of the consideration of the investment in the new machines is Bt250 million with a credit term of 10-180 days obtained from suppliers. Installation of the machines will begin in July 2016 and end in December 2016, and operations will commence in the first quarter of 2017.

6. Value of the assets acquired

The total value of investment in the new machines is approximately Bt250 million, which comprises:

1) Machinery and manufacturing support equipment	Bt196,000,000
2) Test Equipment	Bt13,500,000
3) Facility system and installation costs	Bt40,500,000
Transportation costs and other costs	
Total value of the assets acquired	Bt250,000,000

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

7. Expected benefits of the investment

1. Increased production capacity to support an increase in customer orders and growth in the industry.

2. Enhance production efficiency as the new machinery utilizes modern technology that can produce more quantity in the same amount of time, resulting in a decrease in the cost of goods.
3. Be able to apply for a BOI investment promotion under the category of Efficiency Improvement and thus obtain a tax privilege.

8. Source of funds

The Company will acquire funds in the form of a long-term loan from a financial institution with a full credit line of the total investment, having a term of 3 years and two months to be paid in quarterly installments with a floating interest rate of BIBOR 3M + Fixed percentage.

2) The Board approved the establishment of a new subsidiary company

Company name:	Chemtronic Products Co., Ltd.		
Type of Business:	Producing and Trading of chemical products; animal feed additives.		
Establishment Date:	After the Board approves the Acquisition of Assets in the Company's Board of Directors' Meeting No. 7/2016 on July 12, 2016.		
Registered capital:	Bt24,000,000 (Twenty four million Baht) divided into 240,000 ordinary shares at Bt100 per share.		
Shareholding structure:	Shareholders	Shares	%
	1. KCE Electronics Pcl.	239,800	99.92
	2. Mr. Bancha Ongkosit	100	0.04
	3. Mr. Lin, Po Chiung	100	0.04
Connected nature:	This transaction is not a connected transaction in accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551.		
Details of Investment:	The total investment is valued at Bt70 million, which includes the value of factory construction of Bt20 million and of Machinery and Equipment of Bt50 million. The construction will begin in August 2016.		
Transaction size:	Being the highest value of 0.41% of total assets of the Company and its Subsidiaries as at March 31, 2016, using the Total Value of Consideration basis, and being the highest cumulative value of 1.86% of the total assets of the Company and its Subsidiaries when accumulating all transactions in the past 6 months prior to this transaction date. The transaction size is		

	less than 15%, and therefore the transaction is not categorized as Type 1-4, pursuant to the Notification of the Acquisition or Disposition of Assets.
Source of Funds:	Long-term loan from a financial institution with a credit limit of 70% of the total investment.

The Opinion of the Board of Directors regarding entering into the transaction

The Board of Directors passed a resolution approving the Company and its subsidiary to enter into a transaction for the Acquisition of Assets, with the opinion that the transaction is appropriate and stands to be highly beneficial to the Company and shareholders.

Opinion of the Audit Committee and/or directors of the Company that is different from the Board.

- None -

Please be informed accordingly.

Sincerely yours,

(Mrs. Voraluksana Ongkosit)

Executive Vice Chairperson

บริษัท เคซีอี อิเลคโทรนิคส์ จำกัด (มหาชน)
KCE ELECTRONICS PUBLIC COMPANY LIMITED