

Notification of Asset Acquisition of its subsidiary

October 22, 2013

Subject : Notification of Asset Acquisition of its subsidiary

To : The Director and Manager  
The Stock Exchange of Thailand

The Board of Directors meeting of KCE Electronics Public Company Limited (“the Company”) number 10/2013 held on October 22, 2013, passed a resolution approving Chemtronics Technical Co., Ltd (“CT”), its subsidiary, holding 97.25% of the company shares, entering into a transaction of the Acquisition of Assets, which is the purchase of land. The land (title deed number 21469) is located at Rojana Industrial Park, Tambol Kanharm, Amphur U-thai, Ayutthaya province, having the land area of 13-1-87 rais and will have total value of Baht 54,000,000 (Baht fifty four million only)

This transaction is deemed an Acquisition of Assets according to the Notification of the Capital Market Supervisory Board No. Tor Jor 20/2551, “Rules for Entering into Material Transactions Deemed as Acquisition or Disposal of Assets” and the Notification of the Stock Exchange of Thailand (SET), “Disclosure of Information Concerning the Acquisition and Disposition of Assets of Listed Companies B.E.2547 (Notification of Acquisition or Disposition of Assets)”, valued at 0.48% of the total assets of the Company and its Subsidiaries as at June 30, 2013 (which is the highest transaction size according to the 3<sup>rd</sup> calculation method, using the “Total Value of Consideration” basis, compares to total assets of the Company and its Subsidiaries); and valued at 43.45% of the total assets of the Company and its Subsidiaries when accumulated all transactions in the past 6 months prior to this transaction date. The transaction is categorized as Type “2” (equal to or higher than 15%, but less than 50%) and in accordance with the Notification of Acquisition or Disposition of Assets, the Company requires to disclose information to Shareholders within 21 days after the disclosure to the SET. This transaction is not related or connected parties, according to the Notification of the Capital Market Supervisory Board No. Tor Jor 21/2551, “Rules on Connected Transactions”, and the Notification of the SET, “Disclosure of Information Concerning Connected Transactions B.E. 2546”

The Company has pleasure in submitting the disclosure of information concerning its subsidiary's Acquisition of Assets as follows:

**1. The date, month and year that the transaction occurred**

Chemtronics Technical Co., Ltd will enter the transaction after the Board passed a resolution approving the acquisition of assets in the Company's Board of Directors' Meeting No. 10/2013 on October 22, 2013

**2. The parties involved and their relationship with the Company**

Buyer : Chemtronics Technical Co., Ltd  
Seller : Capsulgel (Thailand) Co., Ltd  
159 Serm-mit Tower, 18th Floor, Sukhumvit 21 Rd. (Asok),  
Kwang Klongtoey-Nua, Khet Wattana, Bangkok  
Relationship between Buyer and Seller : None

**3. General characteristics of the transaction, value and transaction size**

The Acquisition of Assets is the purchase of 13-1-87 rais of land, title Deed No. 21469, located at Rojana Industrial Park, Tambol Kanharm, Amphur U-thai, Ayutthaya province, and will have total value of Baht 54,000,000 or approximately Baht 10,024 per square wah.

This transaction is deemed an Acquisition of Assets according to the Notification of Acquisition or Disposition of Assets, valued at 0.48% of the total assets of the Company and its Subsidiaries as at March 31, 2013 (which is the highest transaction size according to the 3<sup>rd</sup> calculation method, using the "Total Value of Consideration" basis, compares to total assets of the Company and its Subsidiaries); and valued at 43.45% of the total assets of the Company and its Subsidiaries when accumulated all transactions in the past 6 months prior to this transaction date. The transaction is categorized as Type "2" (equal to or higher than 15%, but less than 50%) according to the Notification of Acquisition or Disposition of Assets, requires that the Company discloses information to the SET and distributes the Information Memorandum to Shareholders within 21 days after the disclosure to the SET. This transaction is not related or connected parties, according to the Notification of the Capital Market Supervisory Board No. Tor Jor 21/2551, "Rules on Connected Transactions", and the Notification of the SET, "Disclosure of Information Concerning Connected Transactions B.E. 2546".

**4. Details of the acquired asset**

The land locates at Rojana Industrial Park; title Deed No. 21469, Land position on the Sheet number 14 Tor. 8 Or., the Land number 73 and the Survey page 182, Tambol Kanharm, Amphur U-thai, Ayutthaya province, land area 13-1-87 rais (5,387 square wah).

The purpose of acquiring the land is to accommodate the factory expansion and warehousing to support continued growth in the future.

**5. Total value of the consideration in acquiring the assets**

The value of the consideration in acquiring the assets is Baht 54,000,000 (Baht fifty four million only), and the payment term will be 10% advanced deposit and pay the rest within 3 months.

**6. Total value of assets acquired and the basis used to determine the value of the consideration**

The value of the land is the agreed upon price between the parties, the buyer and the seller, considering the return on investment as the importance factor, which the total asset value is agreed at Baht 54,000,000 (Baht fifty four million only) or approximately Baht 10,024 per square wah.

The buyer and the seller are not related or connected parties.

**7. Expected benefits of the investment**

CT expects that the land will accommodate the factory expansion and the new warehousing to support continued growth in the future.

**8. Source of funds**

The Company acquires fund from both internal and external sources, the cash from operation and Long-term loan from a financial institute.

**9. Condition on entering the transaction**

The aforementioned transaction is classified as Type “2” according to the transaction size calculation method, according to the Notification of the Capital Market Supervisory Board No. Tor Jor 20/2551 “Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets”, dated August 31, 2008. The Notification of the SET, “Disclosure of Information Concerning the Acquisition and Disposition of Assets of Listed Companies B.E.2547”, dated October 29, 2004, requires that the Company discloses information concerning the Acquisition of Assets to the Stock Exchange of Thailand (SET) and distributes the Information Memorandum to Shareholders within 21 days after the disclosure to the SET.

The buyer and the seller are not related or connected parties, according to the Notification of the Capital Market Supervisory Board No. Tor Jor 21/2551, “Rules on Connected Transactions”, and the Notification of the SET, “Disclosure of Information Concerning Connected Transactions B.E. 2546”.

**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 Assets for the Land.

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

None of the Audit Committee and/or Directors has a different opinion from the Board's.

It is certified that this disclosure of information is correct and complete.

Please be informed accordingly.



Sincerely yours,



( Mrs.Voraluksana Ongkosit )

Executive Vice Chairperson