

3 August 2010

The Director and Manager
The Stock Exchange of Thailand

Re: Information on Second Quarter 2010 Operating Results

KCE Electronics PCL would like to inform you that the Company and its subsidiaries posted a consolidated net profit of Baht 161.1 million in the second quarter 2010, compared to a net profit of Baht 4.9 million in the second quarter 2009. The reasons for the improved operating performance are outlined below.

The Company's consolidated sales revenue for the second quarter 2010 amounted to Baht 1,891.4 million (USD 58.6 million), a 56% increase from the Baht 1,291.6 million (USD 37.4 million) achieved in the same period last year, which was the start of recovery from the recession. In the second quarter 2010, demand from customers continued to grow following the autos market recovery, driving a 5% increase (in US dollar terms) in PCB sales revenue quarter-on-quarter. However, the profit margin dropped to 21.3%. This was 3% lower when compared to the first quarter, the result of higher copper price, an electrical system incident at the KCE Technology plant, which caused a temporary interruption, and pressure from the weakening euro. Overall capacity utilization was more than 90% in the second quarter, while efficiency improvement continued and a cost reduction program was in place. The Company realized coverage from business interruption insurance of Baht 20 million in this quarter, which is part of the initial assessed total. Cautious policy pursued for the foreign exchange and commodity price risks resulted in a neutral effect. All these factors supported second quarter 2010 operating results of Baht 161.1 million, net profit to sales of 8.5% and EPS of Baht 0.74 for the first 6-month period of this year.

Management's view for the second half of the year is somewhat optimistic. The European debt problem would not affect customer orders and the euro should stabilize. The copper price shows a decreasing trend and will lead to a lower cost of goods in the third quarter. The Company expects to receive more orders from new customers and transferred orders from a competitor that has recently encountered problems. Additionally, an increased stake in Thai Laminate Manufacturer Company will enhance production efficiency and encourage the Company's growth in the near term.

Forwarded for your information.

Sincerely yours,

(Mrs.Voraluksana Ongkosit)
Executive Director