

October 10, 2011

Subject Clarification regarding the flooding situation  
Attention The Director and Manager  
The Stock Exchange of Thailand

KCE Electronics Public Company Limited would like to inform you about the flood situation as currently the floods are widely spread in many provinces in Thailand and the company's shareholders may have a concern about the security of the company and its subsidiaries, which are located in Lat Krabang Industrial Estate, Hi-Tech Industrial Estate and Bangpoo Industrial Estate.

The water level outside the Industrial zone at Lat Krabang Industrial Estate, where the company is located, has stabilized and it is now 55 centimeters on average lower than the dam wall. There has been action to build up the dam wall, particularly the lower point, by another 30 -50 centimeters. The water outflow is normal and there is currently no flooding. The company is closely monitoring the situation.

The situation at Hi-Tech Industrial Estate, Ayutthaya, where KCE Technology is located, is currently free of flooding. The dam wall is 5.5 meters high, and the water level is now at 4.5 meters high. The ground level in the industrial zone is 2.30 meters high; however, the road inside the company area is 1.0 meter above ground level and the first floor of the building is 1.8 meters above the road, which may be sufficient to protect building from flooding. To minimize the potential loss, the company has built a brick wall to protect it from water breaching the electricity distribution control room, and it has moved equipment, where possible, to the safe area. The company has also allowed employees who live in the areas that are flooded or are affected by flooding to take leave from work. However, it is necessary that the company continues to run the operation, even at 70% of capacity, to deliver a high number of current on-hand orders in time.

Bangpoo Industrial Estate, where KCE International is located, has not directly affected by flooding. However, the situation is being closely monitored and an emergency plan has been established.

The company will maintain close monitoring of the situation and we will inform you accordingly if there is any significant change in circumstance.

For your information.

Yours faithfully

(Mrs. Voraluksana Ongkosit)  
Executive Director