

May 8, 2012

The Director and Manager
The Stock Exchange of Thailand

Re: Information on First Quarter 2012 Operating Results

KCE Electronics PCL would like to inform you that the Company and its subsidiaries posted a consolidated net profit of Baht 179.28 million in the first quarter 2012, compared to a net profit of Baht 152.17 million in the first quarter 2011, which represents an increase of 17.8%.

The Company's consolidated sales revenue and service income declined to Baht 1,345.18 million for the first quarter 2012, compared to sales of Baht 1,865.55 million achieved in the first quarter 2011 (USD 43.6 million and USD 60.8 million respectively). The sales loss was the result of the KCE Technology factory has not yet operated at its normal capacity and the re-qualification audit has been carried out by the customers during the quarter.

At the end of March, KCE Technology (KCET) is now ready to resume full production following its October 2011 inundation. All customers had successfully completed their re-qualification audits on the new production line, and orders have gradually returned.

The flood insurance claim is ongoing and an interim payment of Baht 246 million was received during the first quarter 2012. At KCET, an additional Baht 180 million for business interruption (BI) was realized as compensation from the insurance claim, an amount sufficient to cover fixed costs for the quarter, while production has not yet returned to pre-flood levels. In addition, another Company's subsidiary, KCE (Thailand) realized compensation of Baht 6 million from a BI claim in the first quarter 2012.

ESOP-W4 share warrant of Baht 12.4 million was recognized as an administrative expense in the first quarter 2012 in accordance with TFRS #2: Share-Based Payment. The share warrant was evaluated at fair value and recently granted to directors and employees.

Management expects that the business will achieve full recovery in September 2012. The new production facilities already in place will be sufficient to cope with the increasing productivity, and factory running costs will be reduced significantly, thereby improve profitability.

Forwarded for your information.

Sincerely yours,

(Mrs.Voraluksana Ongkosit)
Executive Director