

August 8, 2012

The Director and Manager

The Stock Exchange of Thailand

RE: Information on Second Quarter 2012 Operating Results

KCE Electronics PCL , would like to report that the Company and its subsidiaries posted a consolidated net profit of 77.9 million Baht in the second quarter 2012, compared to a net profit of. 27.6 million Baht in the second quarter 2011, which represents an increase of 181.5%

The Company's consolidated sales revenue and service income declined to 1,507 million Baht for the second quarter 2012 compared to sales of 1,989 million Baht recorded in the same period 2011. (USD 45.6 million and USD 62.8 million respectively). The lower sales revenue was the result of the KCE Technology factory has not yet operated at its full capacity even though the requalification had approved by all our customers. Due to the ramping up of KCE Technology, even not at its full capacity, the sales revenue of second quarter has already shown the revenue improvement compared to the revenue of first quarter of 1,345 million Baht to 1,507 million Baht, an increase of 12%. The Company has the confidence that higher sales revenue that will result from KCE Technology's full capacity utilization will be clearly shown in the second half of 2012.

Despite a rise in labour cost about 8-10% in April, the Company still achieved lower Cost of sale of Goods and rendering of Services, primarily due to the efficiency of raw material cost control. Cost of sale of Goods and rendering of Services radically dropped from 84.1% to 80.7 %. The administrative expenses increased from 160.9 million Baht to 256 million Baht, mainly due to the FX loss at amount of 93 million Baht.

The Company also realized a compensation of 146.2 million Baht for Business Interruption during this second quarter which can cover fixed cost for KCE Technology during its under capacity's utilization. The Company also received an additional amount of insurance claim of 574.5 million Baht.

For the latter half of 2012, since Europe is entering the recession period, The management of KCE still have confidence that the Company will continue to perform at its best, concentrating on improving the production efficiency and cost control continuously.

Please be informed accordingly.

Yours Sincerely,

(Mrs.Voraluksana Ongkosit)
Executive Director

