

February 17, 2015

The Director and Manager
The Stock Exchange of Thailand

Re: Information on Fiscal Year 2014 Operating Results

KCE Electronics PCL has pleasure submitting fiscal year 2014 operating results of the company and its subsidiaries (“Group”), based on its audited consolidated financial statements ended December 31, 2014. The Group sales and net profit were Baht 11,284.3 million and Baht 2,109.8 million, compared with fiscal year 2013 sales and net profit of Baht 9,293.9 million and Baht 1,173.5 million, respectively. The following table provides a summary of the consolidated operating results in 2014.

[Amount: Baht Million]	2H2014	1H2014	Change [2H vs. 1H]	FY2014	FY2013	Change Y-o-Y [2014 vs. 2013]
Sales Revenue	5,700.6	5,583.7	+ 2.1%	11,284.3	9,293.9	+21.4%
Cost of Sales	3,892.4	3,825.2		7,717.6	6,842.8	
Gross margin, (percentage)	31.7%	31.5%		31.6%	26.3%	
Selling & Administration	818.2	859.8		1,682.5	1,274.5	
Operating Profit* (percentage)	972.1	855.8	+13.6%	1,827.9 16.2%	1,084.2 11.7%	+68.6%
Consol. Net Profit	1,191.5	918.3	+29.7%	2,109.8	1,173.5	+79.8%

[Operating profit* excludes foreign exchange rate effects, insurance compensation and profit from business combination]

Throughout 2014, the new sales and profit record have been sequentially announced from quarter to quarter, which led this year to the best performing year ever for KCE.

Total consolidated sales revenue was increased from Baht 9,293.9 million in 2013 to Baht 11,284.3 million in 2014, the year-over-year growth of 21.4 % in Baht terms (15.1% in dollar terms), which was in line with the original projections. The strong sales growth was primarily a result of increased sales volume, the year-over-year increase of 14.1 % in square footage. The Company attributes this to the effects of i) the improved market condition, particularly in the automotive industry and the steadily increased demand from current customer base and the new business, ii) the outperformed operation of KCE Technology; a subsidiary, running at one half of the total group's capacity, and iii) the substantial improvement in manufacturing efficiency in all production facilities, which enabled factory to increase its output.

Gross margin as a percentage of sales was increased significantly from 26.3% to 31.6% year-over-year, which was due to the lower level of cost of goods sold, together with foreign exchange rate effects. The primary contributor to the costs reduction was the increased capacity utilization rates, continuing manufacturing efficiency and the stabilization of low scrap rate; the reduction in some material costs also contributed.

Selling, general administrative expense for 2014 was at the average of 14.9% to total sales, increased by 1.2% as compared with 2013. The increase was related to the higher employee benefit expenses which was in accordance with the company performance, the expense recognized from ESOP share subscription, impairment charge of unused machines and the pre-operating cost for the new plant; mostly be the cost of operator trainees, while the commercial production is scheduled in the first quarter of 2015.

Normalized operating profit for 2014, was Baht 1,827.9 million, representing a 743.7 million, or 68.6% increase, as compared with 2013. The increase was mainly attributed to the revenue growth and the improved margin rates, offset by higher general administrative cost.

Consolidated net profit were Baht 1,173.5 million and Baht 2,109.8 million for 2013 and 2014 respectively, represented an increase of Baht 936.3 million or 79.8% year-over-year. Net Profit in 2014 included non-operating transactions which related to i) the compensation from insurance claim (Business interruption) for Baht 101.2 million, net of relevant expenses and tax, ii) gain from foreign exchange rate of Baht 95.5 million and iii) the realized profit of Baht 85.1 million from the business combination with KCE Singapore Pte. Ltd. (the former associate company). Compared with 2013, basic earnings per share increased from Baht 2.53 to Baht 3.89 per share in 2014.

Forwarded for your information.

Sincerely yours,



(Mrs. Voraluksana Ongkosit)
Executive Vice Chairperson

