

KCE Electronics Public Company Limited and its subsidiaries

Statements of financial position

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note	30 September 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	30 September 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
Assets					
Current assets					
Cash and cash equivalents		207,858	143,178	108,607	21,020
Short-term investments in trading securities		2,007	2,155	2,007	2,155
Trade accounts receivable	3				
Related parties	4	474,719	345,122	282,377	238,374
Unrelated parties		1,741,281	1,186,013	751,052	529,974
Total		2,216,000	1,531,135	1,033,429	768,348
Less: Allowance for doubtful accounts		(352)	(165)	(322)	(136)
Trade accounts receivable - net		2,215,648	1,530,970	1,033,107	768,212
Amounts due from and advances to related parties	4	-	75	24,077	42
Inventories - net	5	1,584,721	1,332,163	422,509	386,244
Other current assets					
Dividend receivable from related party	4	-	-	-	66,496
Value added tax refundable		11,204	9,300	3,750	3,164
Other accounts receivable		33,848	27,636	14,709	19,583
Insurance claim receivable	16	61,322	94,658	-	-
Prepaid expenses and others		66,829	49,059	14,697	15,797
Total other current assets		173,203	180,653	33,156	105,040
Total current assets		4,183,437	3,189,194	1,623,463	1,282,713
Non-current assets					
Investments in subsidiaries	6	-	-	2,157,486	1,957,486
Investments in associates	7	81,234	76,816	2,422	2,422
Deposits and advances for purchases of assets		96,222	98,892	96,187	98,857
Property, plant and equipment - net	8	5,085,308	5,308,170	1,201,846	1,261,886
Intangible assets - net	9	87,189	75,359	61,679	53,656
Deposits and others		2,174	4,481	1,355	3,465
Total non-current assets		5,352,127	5,563,718	3,520,975	3,377,772
Total assets		9,535,564	8,752,912	5,144,438	4,660,485

The accompanying notes are an integral part of the financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note	30 September 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	30 September 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	10	3,377,186	3,169,042	1,153,425	1,060,841
Trade accounts payable					
Related parties	4	20,006	14,081	425,917	330,672
Unrelated parties		1,236,534	880,872	313,416	254,308
Total trade accounts payable		1,256,540	894,953	739,333	584,980
Current portion of liabilities under hire-purchase and finance lease agreements					
		62,024	105,858	54,415	96,199
Current portion of long-term loans	11	512,585	397,407	99,219	47,230
Amounts due to and advances from related parties	4	13,313	12,140	4,140	5,399
Other current liabilities					
Accounts payable from purchases of equipment		127,499	70,532	36,048	15,885
Other accounts payable		111,770	60,466	56,524	15,178
Accrued interest expenses		14,828	14,401	2,757	3,451
Accrued expenses and others		147,565	138,131	57,512	44,683
Total other current liabilities		401,662	283,530	152,841	79,197
Total current liabilities		5,623,310	4,862,930	2,203,373	1,873,846
Non-current liabilities					
Liabilities under hire-purchase and finance lease agreements - net of current portion					
		114,908	155,312	107,538	145,925
Long-term loans - net of current portion	11	1,120,640	1,089,888	235,054	86,264
Provision for long-term employee benefits		67,650	-	37,517	-
Total non-current liabilities		1,303,198	1,245,200	380,109	232,189
Total liabilities		6,926,508	6,108,130	2,583,482	2,106,035

The accompanying notes are an integral part of the financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	Note	30 September 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	30 September 2011 (Unaudited but reviewed)
Shareholders' equity				
Share capital	12			
Registered				
500,000,000 ordinary shares of Baht 1 each		<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid-up				
472,224,269 ordinary shares of Baht 1 each				
(31 December 2010: 471,067,269 ordinary shares of Baht 1 each)		472,224	471,067	472,224
Share premium		1,107,753	1,100,973	1,107,753
Retained earnings				
Appropriated - statutory reserve		50,000	50,000	50,000
Appropriated - reserve for treasury shares	12.3	70,050	39,837	70,050
Unappropriated		1,042,545	1,088,732	930,979
Other components of shareholders' equity		(53,364)	(57,750)	-
Equity attributable to owners of the Company		<u>2,689,208</u>	<u>2,692,859</u>	<u>2,631,006</u>
Less: Treasury shares	12.2	<u>(70,050)</u>	<u>(39,837)</u>	<u>(70,050)</u>
Equity attributable to owners of the Company - net		<u>2,619,158</u>	<u>2,653,022</u>	<u>2,560,956</u>
Non-controlling interests of the subsidiaries		(10,102)	(8,240)	-
Total shareholders' equity		<u>2,609,056</u>	<u>2,644,782</u>	<u>2,560,956</u>
Total liabilities and shareholders' equity		<u>9,535,564</u>	<u>8,752,912</u>	<u>5,144,438</u>
		-	-	-

The accompanying notes are an integral part of the financial statements.

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Directors
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(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries**Statements of comprehensive income**

For the three-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Profit or loss:					
Revenues					
	4				
Revenues from sales		2,110,999	1,974,408	915,709	905,070
Service income		11,814	2,536	4,755	4,259
Other income					
Gain on exchange rate		-	30,901	-	20,856
Dividend income from a subsidiary company		-	-	-	179,520
Gain from hedging activities		-	1,610	5,454	-
Compensation from insurance claim	3	3	21,001	-	-
Others		20,521	36,652	7,712	18,693
Total other income		20,524	90,164	13,166	219,069
Total revenues		2,143,337	2,067,108	933,630	1,128,398
Expenses					
	4				
Cost of sales		1,756,935	1,612,473	743,555	713,117
Selling expenses		122,051	134,280	54,585	60,325
Administrative expenses		112,497	112,189	43,401	42,730
Loss on exchange rate		26,353	-	18,976	-
Loss from hedging activities		38,068	-	-	6,990
Total expenses		2,055,904	1,858,942	860,517	823,162
Profit before share of income from investments					
in associates, finance cost and corporate income tax		87,433	208,166	73,113	305,236
Share of income from investments in associates		299	329	-	-
Profit before finance cost and corporate income tax		87,732	208,495	73,113	305,236
Finance cost		(35,136)	(43,619)	(11,296)	(13,098)
Profit before corporate income tax		52,596	164,876	61,817	292,138
Corporate income tax	13	-	(117)	-	-
Profit for the period		52,596	164,759	61,817	292,138
Other comprehensive income:					
Exchange differences on translation of financial statements					
in foreign currency		1,046	(4,899)	-	-
Other comprehensive income for the period		1,046	(4,899)	-	-
Total comprehensive income for the period		53,642	159,860	61,817	292,138

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the three-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Profit attributable to:				
Equity holders of the Company	52,466	165,129	61,817	292,138
Non-controlling interests of the subsidiaries	130	(370)		
	<u>52,596</u>	<u>164,759</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	53,512	160,230	61,817	292,138
Non-controlling interests of the subsidiaries	130	(370)		
	<u>53,642</u>	<u>159,860</u>		
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company (Baht)	<u>0.113</u>	<u>0.354</u>	<u>0.133</u>	<u>0.627</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company (Baht)	<u>0.113</u>	<u>0.353</u>	<u>0.133</u>	<u>0.624</u>

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The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries**Statements of comprehensive income**

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Profit or loss:					
Revenues					
Revenues from sales	4	5,950,537	5,729,451	2,668,962	2,475,610
Service income		26,831	5,582	12,836	15,789
Other income					
Gain on exchange rate		-	19,904	3,100	-
Dividend income from a subsidiary company	6	-	-	-	187,320
Gain from hedging activities		-	1,478	-	-
Compensation from insurance claim	16	17,003	41,001	-	-
Others		113,811	99,818	42,057	47,613
Total other income		130,814	162,201	45,157	234,933
Total revenues		6,108,182	5,897,234	2,726,955	2,726,332
Expenses					
Cost of sales	4	4,957,866	4,509,584	2,110,566	1,959,175
Selling expenses		375,909	384,756	173,870	158,803
Administrative expenses		355,359	343,300	142,774	133,057
Loss on exchange rate		16,572	-	-	3,510
Loss from hedging activities		56,683	-	17,626	4,589
Total expenses		5,762,389	5,237,640	2,444,836	2,259,134
Profit before share of income from investments					
in associates, finance cost and corporate income tax		345,793	659,594	282,119	467,198
Share of income from investments in associates		32	2,970	-	-
Profit before finance cost and corporate income tax		345,825	662,564	282,119	467,198
Finance cost		(112,784)	(143,835)	(31,194)	(41,365)
Profit before corporate income tax		233,041	518,729	250,925	425,833
Corporate income tax	13	(1,937)	(3,142)	-	-
Profit for the period		231,104	515,587	250,925	425,833
Other comprehensive income:					
Exchange differences on translation of financial statements					
in foreign currency		4,386	(7,078)	-	-
Other comprehensive income for the period		4,386	(7,078)	-	-
Total comprehensive income for the period		235,490	508,509	250,925	425,833

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Profit attributable to:				
Equity holders of the Company	232,290	507,181	<u>250,925</u>	<u>425,833</u>
Non-controlling interests of the subsidiaries	<u>(1,186)</u>	<u>8,406</u>		
	<u>231,104</u>	<u>515,587</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	236,676	500,103	<u>250,925</u>	<u>425,833</u>
Non-controlling interests of the subsidiaries	<u>(1,186)</u>	<u>8,406</u>		
	<u>235,490</u>	<u>508,509</u>		
Earnings per share	14			
Basic earnings per share				
Profit attributable to equity holders of the Company (Baht)	<u>0.501</u>	<u>1.096</u>	<u>0.541</u>	<u>0.921</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company (Baht)	<u>0.500</u>	<u>1.094</u>	<u>0.540</u>	<u>0.919</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries**Cash flows statements****For the nine-month periods ended 30 September 2011 and 2010**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from operating activities				
Profit before tax	233,041	518,729	250,925	425,833
Adjustments to reconcile profit before tax to cash provided by (used in) operating activities:				
Share of income from investments in associates	(32)	(2,970)	-	-
Depreciation	418,873	441,567	121,121	127,767
Amortisation	6,117	5,889	2,946	2,173
Allowance for doubtful accounts - trade accounts receivable (reversal)	187	(114)	186	(112)
Allowance for diminution in value of inventories and inventory obsolescence	6,109	6,076	5,356	1,239
Loss from write-off of inventories	10,399	-	-	-
Reversal of allowance for impairment on fixed assets	(8,128)	-	-	-
Gain on disposals of equipment	(1,823)	(3,165)	(487)	(145)
Loss from write-off of equipment	8,357	2,600	551	946
Unrealised loss (gain) on revaluation of investments in trading securities	148	(550)	148	(550)
Reserve for long-term employee benefits	5,970	-	2,634	-
Unrealised loss (gain) on exchange rate	91,953	(18,606)	27,884	(10,515)
Unrealised loss from hedging activities	42,449	10,340	10,268	9,908
Dividend income from a subsidiary company	-	-	-	(187,320)
Interest expenses	105,823	137,059	29,190	39,836
Income from operating activities before changes in operating assets and liabilities	919,443	1,096,855	450,722	409,060
Operating assets decrease (increase)				
Trade accounts receivable	(635,514)	(378,699)	(249,765)	(268,631)
Inventories	(269,066)	(287,377)	(41,621)	(16,946)
Other current assets	1,479	(94,675)	(16,783)	(3,740)
Other non-current assets	2,307	2,861	2,110	2,237
Operating liabilities increase (decrease)				
Trade accounts payable	333,945	370,061	137,738	178,930
Other current liabilities	28,332	31,535	46,429	(7,206)
Reserve for long-term employee benefits	(1,779)	-	(1,779)	-
Cash from operating activities	379,147	740,561	327,051	293,704
Cash paid for interest expenses	(105,494)	(142,904)	(29,884)	(40,958)
Cash paid for corporate income tax	(4,048)	(9,137)	(806)	(781)
Net cash from operating activities	269,605	588,520	296,361	251,965

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries
Cash flows statements (continued)
For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from investing activities				
Proceeds from disposals of equipment	4,157	4,555	1,933	1,297
Cash paid for purchase of equipment	(192,256)	(106,281)	(56,731)	(82,266)
Cash paid for purchase of computer software	(17,947)	(13,230)	(10,591)	(11,131)
Dividend received from a subsidiary company	-	-	66,496	7,800
Cash paid for investments in subsidiaries	-	(284,497)	(200,000)	(223,647)
Net cash used in investing activities	(206,046)	(399,453)	(198,893)	(307,947)
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans				
from financial institutions	205,856	145,396	86,301	211,449
Cash paid for liabilities under hire-purchase and				
financial lease agreements	(84,634)	(81,355)	(76,704)	(72,558)
Cash received from long-term loans	1,557,896	130,000	274,806	-
Cash paid for long-term loans	(1,470,240)	(360,718)	(86,527)	(21,120)
Cash received from capital increase and warrants exercised	7,937	49,168	7,937	49,168
Cash received from sales of treasury shares	-	48,269	-	48,269
Cash paid for purchase of treasury shares	(30,213)	(39,837)	(30,213)	(39,837)
Dividend paid	(185,481)	(142,604)	(185,481)	(138,284)
Net cash from (used in) financing activities	1,121	(251,681)	(9,881)	37,087
Net increase (decrease) in cash and cash equivalents	64,680	(62,614)	87,587	(18,895)
Cash and cash equivalents at beginning of the period	143,178	157,079	21,020	48,488
Cash and cash equivalents at end of the period	207,858	94,465	108,607	29,593

Supplemental cash flows information

1) Non-cash related transaction for operating activities				
Increase in provision for long-term employee benefits	63,459	-	36,662	-
2) Non-cash related transactions for investing activities				
Net increase (decrease) in other accounts receivable				
from disposals of machinery and equipment	-	-	30	(83)
Net increase (decrease) in accounts payable for purchases of				
machinery and equipment	7,517	16,596	9,767	(807)
Dividend receivable from a subsidiary company	-	-	-	179,520
3) Non-cash related transaction for financing activities				
Assets acquired under hire-purchase and				
finance lease agreements	396	22,741	(3,467)	5,666

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

Consolidated financial statements

Shareholders' equity of the Company

	Other components of shareholders' equity											Total equity attributable to non-controlling interests of the shareholders' subsidiaries	Total equity
	Share capital issued and paid-up	Share subscription received	Share premium in advance	Retained earnings Appropriated Statutory reserve	Retained earnings Reserve for treasury shares	comprehensive income Unappropriated	Other than the net Translation adjustments	book value of the subsidiaries at the acquisition date	Total other components of shareholders' equity	reasury shares	shareholders' equity		
Balance as at 31 December 2009	462,497	1,017,395	2,219	50,000	7,508	724,730	(11,473)	-	(11,473)	(7,508)	2,245,368	233,196	2,478,564
Ordinary shares issued during the period	8,570	42,817	(2,219)	-	-	-	-	-	-	-	49,168	-	49,168
Total comprehensive income for the period	-	-	-	-	-	507,181	(7,078)	-	(7,078)	-	500,103	8,406	508,509
Treasury shares repurchased during the period	-	-	-	-	-	-	-	-	-	(39,837)	(39,837)	-	(39,837)
Treasury shares reserve	-	-	-	-	39,837	(39,837)	-	-	-	-	-	-	-
Treasury shares sold during the period	-	40,761	-	-	-	-	-	-	-	7,508	48,269	-	48,269
Reserve for treasury shares sold during the period	-	-	-	-	(7,508)	7,508	-	-	-	-	-	-	-
Increase in investments in subsidiary companies	-	-	-	-	-	-	-	(38,558)	(38,558)	-	(38,558)	(245,939)	(284,497)
Dividend paid	-	-	-	-	-	(138,284)	-	-	-	-	(138,284)	-	(138,284)
Dividend paid by a subsidiary company to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(4,320)	(4,320)
Balance as at 30 September 2010	471,067	1,100,973	-	50,000	39,837	1,061,298	(18,551)	(38,558)	(57,109)	(39,837)	2,626,229	(8,657)	2,617,572

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

Consolidated financial statements (continued)														
Shareholders' equity of the Company														
	Note	Other components of shareholders' equity										Total equity		
		Share capital issued and paid-up	Share premium in advance	Share subscription received	Retained earnings Appropriated Statutory reserve	Retained earnings Reserve for reasury share; Unappropriated	comprehensive income Translation adjustments	book value of the subsidiaries at the acquisition date	Total other components of shareholders' equity	reasury shares	equity attributable to non-controlling interests of the Company	equity attributable to shareholders' subsidiaries	Total equity	
Balance as at 31 December 2010		471,067	1,100,973	-	50,000	39,837	1,088,732	(19,192)	(38,558)	(57,750)	(39,837)	2,653,022	(8,240)	2,644,782
Cumulative effect of change in accounting policy for employee benefits	1.4	-	-	-	-	-	(62,783)	-	-	-	-	(62,783)	(676)	(63,459)
Ordinary shares issued during the period	12.4	1,157	6,780	-	-	-	-	-	-	-	-	7,937	-	7,937
Total comprehensive income for the period		-	-	-	-	-	232,290	4,386	-	4,386	-	236,676	(1,186)	235,490
Treasury shares repurchased during the period	12.2	-	-	-	-	-	-	-	-	-	(30,213)	(30,213)	-	(30,213)
Treasury shares reserve	12.2	-	-	-	-	30,213	(30,213)	-	-	-	-	-	-	-
Dividend paid	15	-	-	-	-	-	(185,481)	-	-	-	-	(185,481)	-	(185,481)
Balance as at 30 September 2011		<u>472,224</u>	<u>1,107,753</u>	<u>-</u>	<u>50,000</u>	<u>70,050</u>	<u>1,042,545</u>	<u>(14,806)</u>	<u>(38,558)</u>	<u>(53,364)</u>	<u>(70,050)</u>	<u>2,619,158</u>	<u>(10,102)</u>	<u>2,609,056</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

KCE Electronics Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)
For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

	Separate financial statements								
	Note	Share capital		Share subscriptions received in advance	Retained earnings			Treasury shares	Total
		issued and paid-up	Share premium		Appropriated		Unappropriated		
				reserve	Statutory	Reserve for treasury shares			
Balance as at 31 December 2009		462,497	1,017,395	2,219	50,000	7,508	69,382	(7,508)	1,601,493
Ordinary shares issued during the period		8,570	42,817	(2,219)	-	-	-	-	49,168
Total comprehensive income for the period		-	-	-	-	-	425,833	-	425,833
Treasury shares repurchased during the period		-	-	-	-	-	-	(39,837)	(39,837)
Treasury shares reserve		-	-	-	-	39,837	(39,837)	-	-
Treasury shares sold during the period		-	40,761	-	-	-	-	7,508	48,269
Reserve for treasury shares sold during the period		-	-	-	-	(7,508)	7,508	-	-
Dividend paid		-	-	-	-	-	(138,284)	-	(138,284)
Balance as at 30 September 2010		<u>471,067</u>	<u>1,100,973</u>	<u>-</u>	<u>50,000</u>	<u>39,837</u>	<u>324,602</u>	<u>(39,837)</u>	<u>1,946,642</u>
Balance as at 31 December 2010		471,067	1,100,973	-	50,000	39,837	932,410	(39,837)	2,554,450
Cumulative effect of change in accounting policy for employee benefits	1.4	-	-	-	-	-	(36,662)	-	(36,662)
Ordinary shares issued during the period	12.4	1,157	6,780	-	-	-	-	-	7,937
Total comprehensive income for the period		-	-	-	-	-	250,925	-	250,925
Treasury shares repurchased during the pe	12.2	-	-	-	-	-	-	(30,213)	(30,213)
Treasury shares reserve	12.2	-	-	-	-	30,213	(30,213)	-	-
Dividend paid	15	-	-	-	-	-	(185,481)	-	(185,481)
Balance as at 30 September 2011		<u>472,224</u>	<u>1,107,753</u>	<u>-</u>	<u>50,000</u>	<u>70,050</u>	<u>930,979</u>	<u>(70,050)</u>	<u>2,560,956</u>

The accompanying notes are an integral part of the financial statements.