

KCE Electronics Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Assets					
Current assets					
Cash and cash equivalents	7	535,535,464	143,177,828	142,492,106	21,019,954
Short-term investments in trading securities		2,092,673	2,154,643	2,092,673	2,154,643
Trade and other receivables	8	1,546,419,993	1,584,931,225	1,033,393,142	863,989,619
Inventories	10	1,079,741,866	1,332,162,790	503,835,609	386,243,691
Insurance claim receivable	30	1,663,673,410	94,658,318	-	-
Other current assets		44,079,539	32,109,147	10,357,001	9,305,605
Total current assets		4,871,542,945	3,189,193,951	1,692,170,531	1,282,713,512
Non-current assets					
Investments in subsidiaries	11	-	-	2,157,485,580	1,957,485,580
Investments in associates	12	82,132,877	76,815,706	2,422,385	2,422,385
Property, plant and equipment	13	4,235,134,544	5,308,169,916	1,189,451,707	1,261,885,635
Intangible assets	14	86,444,636	75,358,783	61,690,437	53,655,941
Other non-current assets		82,957,174	103,373,273	82,140,182	102,322,202
Total non-current assets		4,486,669,231	5,563,717,678	3,493,190,291	3,377,771,743
Total assets		9,358,212,176	8,752,911,629	5,185,360,822	4,660,485,255

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

KCE Electronics Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	15	3,551,067,328	3,169,041,526	1,213,876,779	1,060,841,116
Trade and other payables	16	1,466,676,670	1,189,766,769	874,417,630	669,311,025
Current portion of liabilities under hire-purchase and finance lease agreements	17	51,511,153	105,857,565	43,348,043	96,199,410
Current portion of long-term loans	18	352,563,795	397,407,338	124,726,453	47,230,000
Income tax payable		-	240,649	-	-
Other current liabilities		2,160,269	616,512	1,009,415	265,589
Total current liabilities		5,423,979,215	4,862,930,359	2,257,378,320	1,873,847,140
Non-current liabilities					
Liabilities under hire-purchase and finance lease agreements - net of current portion	17	103,725,186	155,312,264	99,428,170	145,924,747
Long-term loans - net of current portion	18	1,260,174,590	1,089,887,683	229,162,110	86,263,683
Provision for long-term employee benefits	19	62,141,650	-	31,496,383	-
Total non-current liabilities		1,426,041,426	1,245,199,947	360,086,663	232,188,430
Total liabilities		6,850,020,641	6,108,130,306	2,617,464,983	2,106,035,570

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

KCE Electronics Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Shareholders' equity					
Share capital	20				
Registered					
500,000,000 ordinary shares of Baht 1 each		<u>500,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>
Issued and fully paid-up					
472,224,269 ordinary shares of Baht 1 each					
(2010: 471,067,269 ordinary shares					
of Baht 1 each)		472,224,269	471,067,269	472,224,269	471,067,269
Share premium		1,107,752,659	1,100,972,639	1,107,752,659	1,100,972,639
Retained earnings					
Appropriated - statutory reserve	21	50,000,000	50,000,000	50,000,000	50,000,000
Appropriated - reserve for treasury shares	20.3	70,050,487	39,836,685	70,050,487	39,836,685
Unappropriated		942,274,954	1,088,732,042	937,918,911	932,409,777
Other components of shareholders' equity		<u>(52,074,343)</u>	<u>(57,750,376)</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company		2,590,228,026	2,692,858,259	2,637,946,326	2,594,286,370
Less: Treasury shares	20.2	<u>(70,050,487)</u>	<u>(39,836,685)</u>	<u>(70,050,487)</u>	<u>(39,836,685)</u>
Equity attributable to owners of the Company - net		2,520,177,539	2,653,021,574	2,567,895,839	2,554,449,685
Non-controlling interests of the subsidiaries		<u>(11,986,004)</u>	<u>(8,240,251)</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		2,508,191,535	2,644,781,323	2,567,895,839	2,554,449,685
Total liabilities and shareholders' equity		9,358,212,176	8,752,911,629	5,185,360,822	4,660,485,255
		-	-	-	-

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

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 Directors

KCE Electronics Public Company Limited and its subsidiaries

Statements of comprehensive income

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Profit or loss:					
Revenues	9				
Sales and service income		7,201,064,787	7,261,175,806	3,467,623,552	3,179,101,862
Compensation from insurance claim	30	87,002,532	49,148,865	-	-
Reversal of allowance for impairment of investment	11	-	-	-	541,771,135
Dividend income from a subsidiary company	11	-	-	-	187,319,898
Other income		106,103,222	180,790,839	49,657,768	82,716,453
Total revenues		7,394,170,541	7,491,115,510	3,517,281,320	3,990,909,348
Expenses	9				
Cost of sales and service		5,957,001,387	5,825,025,092	2,765,293,670	2,512,912,849
Selling expenses		466,936,879	492,410,878	226,742,641	202,198,784
Administrative expenses		685,126,192	446,642,496	222,605,149	189,550,216
Total expenses		7,109,064,458	6,764,078,466	3,214,641,460	2,904,661,849
Profit before share of profit (loss) from investments					
in associates, finance cost and corporate income tax		285,106,083	727,037,044	302,639,860	1,086,247,499
Share of profit (loss) from investments in associates	12	(358,862)	2,757,861	-	-
Profit before finance cost and corporate income tax		284,747,221	729,794,905	302,639,860	1,086,247,499
Finance cost		(153,493,499)	(184,748,743)	(44,774,575)	(52,607,087)
Profit before corporate income tax		131,253,722	545,046,162	257,865,285	1,033,640,412
Corporate income tax	23	(2,302,577)	(1,609,104)	-	-
Profit for the year		128,951,145	543,437,058	257,865,285	1,033,640,412
Other comprehensive income:					
Exchange differences on translation of financial statements					
in foreign currency		5,676,033	(7,719,293)	-	-
Other comprehensive income for the year		5,676,033	(7,719,293)	-	-
Total comprehensive income for the year		134,627,178	535,717,765	257,865,285	1,033,640,412

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

KCE Electronics Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Profit attributable to:					
Equity holders of the Company		132,020,833	534,615,089	<u>257,865,285</u>	<u>1,033,640,412</u>
Non-controlling interests of the subsidiaries		<u>(3,069,688)</u>	<u>8,821,969</u>		
		<u>128,951,145</u>	<u>543,437,058</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		137,696,866	526,895,796	<u>257,865,285</u>	<u>1,033,640,412</u>
Non-controlling interests of the subsidiaries		<u>(3,069,688)</u>	<u>8,821,969</u>		
		<u>134,627,178</u>	<u>535,717,765</u>		
Earnings per share					
	25				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.28</u>	<u>1.15</u>	<u>0.56</u>	<u>2.23</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.28</u>	<u>1.15</u>	<u>0.56</u>	<u>2.23</u>

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

KCE Electronics Public Company Limited and its subsidiaries

Cash flow statements

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from operating activities				
Profit before tax	131,253,722	545,046,162	257,865,285	1,033,640,412
Adjustments to reconcile profit before tax to				
cash provided by (used in) operating activities:				
Share of loss (profit) from investments in associates	358,862	(2,757,861)	-	-
Depreciation	548,157,527	589,522,496	160,386,683	170,777,266
Amortisation	4,214,270	8,336,547	4,002,657	3,200,236
Allowance for doubtful accounts -				
trade accounts receivable (reversal)	188,001	(566,600)	185,629	(334,703)
Decrease of inventory to net realisable value	(11,086,937)	5,759,778	1,947,252	3,050,163
Loss from write-off of inventories	455,064,873	3,098,925	11,854,853	-
Gain on disposals of equipment	(2,641,978)	(4,937,134)	(996,110)	(145,365)
Loss from write-off of equipment	1,123,231,752	3,023,944	630,341	1,362,254
Allowance for impairment on fixed assets (reversal)	(8,127,906)	8,127,906	-	-
Reversal of allowance for impairment of investments	-	-	-	(541,771,135)
Provision for long-term employee benefits	7,962,568	-	3,512,136	-
Unrealised loss (gain) on exchange rate	147,465,974	(6,285,882)	38,710,643	3,900,957
Unrealised loss (gain) from hedging activities	9,345,031	(12,266,095)	5,016,715	(11,615,239)
Dividend income from a subsidiary company	-	-	-	(187,319,898)
Unrealised loss (gain) on revaluation of investments				
in trading securities	61,970	(696,190)	61,970	(696,190)
Interest expenses	145,098,781	176,357,430	42,180,590	50,548,445
Profit from operating activities before changes in operating assets and liabilities	2,550,546,510	1,311,763,426	525,358,644	524,597,203
Operating assets decrease (increase)				
Trade and other receivables	(1,509,052,765)	(86,057,957)	(226,602,964)	(76,397,514)
Inventories	(191,557,012)	(180,758,197)	(131,394,023)	(17,618,742)
Other current assets	(7,688,538)	7,055,330	(26,834)	1,962,715
Other non-current assets	2,908,517	3,306,483	2,708,924	3,054,418
Operating liabilities increase (decrease)				
Trade and other payables	(41,858,056)	12,462,796	182,158,194	(16,537,183)
Other current liabilities	1,543,757	616,512	743,826	265,589
Provision for long-term employee benefits	(9,280,215)	-	(8,677,215)	-
Cash from operating activities	795,562,198	1,068,388,393	344,268,552	419,326,486
Cash paid for interest expenses	(139,622,595)	(183,654,306)	(41,061,511)	(51,581,884)
Cash paid for corporate income tax	(4,522,503)	(8,679,393)	(1,024,562)	(1,081,594)
Net cash from operating activities	651,417,100	876,054,694	302,182,479	366,663,008

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

KCE Electronics Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from investing activities				
Cash paid for additional investments in subsidiaries	-	(284,496,270)	(200,000,000)	(223,646,270)
Dividend income from a subsidiary company	-	-	66,495,800	187,319,898
Proceeds from disposals of equipment	5,977,235	7,205,226	3,809,668	1,521,379
Cash paid for purchases of equipment	(284,804,360)	(167,763,170)	(86,523,289)	(124,965,280)
Cash paid for purchase of computer software	(15,300,123)	(27,482,488)	(11,635,528)	(16,539,569)
Net cash used in investing activities	(294,127,248)	(472,536,702)	(227,853,349)	(176,309,842)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	307,555,794	(144,281,468)	149,629,418	(10,480,642)
Cash paid for liabilities under hire-purchase and				
finance lease agreements	(108,191,016)	(108,306,673)	(97,741,470)	(97,416,285)
Cash received from long-term loans	1,593,799,298	370,000,000	299,240,159	-
Cash paid for long-term loans	(1,550,338,623)	(449,827,197)	(96,227,416)	(29,240,000)
Cash received from capital increase and warrants exercised	7,937,020	49,167,605	7,937,020	49,167,605
Cash received from sales of treasury shares	-	48,269,770	-	48,269,770
Cash paid for purchase of treasury shares	(30,213,802)	(39,836,685)	(30,213,802)	(39,836,685)
Dividend paid	(185,480,887)	(142,604,570)	(185,480,887)	(138,284,480)
Net cash from (used in) financing activities	35,067,784	(417,419,218)	47,143,022	(217,820,717)
Net increase (decrease) in cash and cash equivalents	392,357,636	(13,901,226)	121,472,152	(27,467,551)
Cash and cash equivalents at beginning of the year	143,177,828	157,079,054	21,019,954	48,487,505
Cash and cash equivalents at end of the year (Note 7)	535,535,464	143,177,828	142,492,106	21,019,954

Supplemental cash flows information

1) Non-cash related transaction for operating activities

Increase in provision for long-term employee benefits	63,459,297	-	36,661,462	-
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2) Non-cash related transactions for investing activities

Net increase (decrease) in other accounts receivable from disposals of machinery and equipment	-	-	727,394	(306,630)
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Net increase (decrease) in accounts payable for purchases of machinery and equipment	295,864,697	95,737,553	(8,888,620)	(12,335,975)
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3) Non-cash related transaction for financing activities

Assets acquired under hire-purchase and finance lease agreements	2,257,526	25,763,267	(1,606,474)	6,197,436
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The accompanying notes are an integral part of the financial statements.

KCE Electronics Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2011 and 2010

Consolidated financial statements

Shareholders' equity of the Company

	Note	Other components of shareholders' equity										Total equity attributable to the Company's shareholders	Equity attributable to non-controlling interests of the subsidiaries
		Share capital issued and paid-up	Share premium	Share subscriptions received in advance	Retained earnings	Retained earnings	Retained earnings	Retained earnings	Retained earnings	Retained earnings	Retained earnings		
					Statutory reserve	Reserve for treasury shares	Unappropriated	Translation adjustments	book value of the subsidiaries at the acquisition date	Total other components of shareholders' equity	Treasury shares		
Balance as at 31 December 2009		462,497,269	1,017,395,000	2,218,485	50,000,000	7,508,221	724,729,897	(11,472,623)	-	(11,472,623)	(7,508,221)	2,245,368,028	233,195,680
Total comprehensive income for the year		-	-	-	-	-	534,615,089	(7,719,293)	-	(7,719,293)	-	526,895,796	8,821,969
Ordinary shares issued during the year	20	8,570,000	42,816,090	(2,218,485)	-	-	-	-	-	-	-	49,167,605	-
Treasury shares repurchased during the year	20.2	-	-	-	-	-	-	-	-	-	(39,836,685)	(39,836,685)	-
Treasury shares reserve	20.2	-	-	-	-	39,836,685	(39,836,685)	-	-	-	-	-	-
Treasury shares sold during the year		-	40,761,549	-	-	-	-	-	-	-	7,508,221	48,269,770	-
Reserve for treasury shares sold during the year		-	-	-	-	(7,508,221)	7,508,221	-	-	-	-	-	-
Increase in investments in subsidiary companies		-	-	-	-	-	-	-	(38,558,460)	(38,558,460)	-	(38,558,460)	(245,937,810)
Dividend paid	28	-	-	-	-	-	(138,284,480)	-	-	-	-	(138,284,480)	-
Dividend paid by a subsidiary company to non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(4,320,090)
Balance as at 31 December 2010		471,067,269	1,100,972,639	-	50,000,000	39,836,685	1,088,732,042	(19,191,916)	(38,558,460)	(57,750,376)	(39,836,685)	2,653,021,574	(8,240,251)

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

KCE Electronics Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2011 and 2010

Consolidated financial statements (continued)													
Shareholders' equity of the Company													
	Note	Share capital issued and paid-up	Share premium	Share subscriptions received in advance	Retained earnings		Unappropriated	Translation adjustments	Other components of shareholders' equity		Total equity attributable to the Company's shareholders	Equity attributable to non-controlling interests of the subsidiaries	
					Statutory reserve	Reserve for treasury shares			Other comprehensive income	Excess of investments arising from additional purchases of investments in subsidiaries Other at a price higher than the net comprehensive book value of the subsidiaries at the acquisition date			Total other components of shareholders' equity
Balance as at 31 December 2010		471,067,269	1,100,972,639	-	50,000,000	39,836,685	1,088,732,042	(19,191,916)	(38,558,460)	(57,750,376)	(39,836,685)	2,653,021,574	(8,240,251)
Cumulative effect of change in accounting policy for employee benefits	3	-	-	-	-	-	(62,783,232)	-	-	-	-	(62,783,232)	(676,065)
Total comprehensive income for the year				-	-	-	132,020,833	5,676,033	-	5,676,033	-	137,696,866	(3,069,688)
Ordinary shares issued during the year	20	1,157,000	6,780,020	-	-	-	-	-	-	-	-	7,937,020	-
Treasury shares repurchased during the year	20.2	-	-	-	-	-	-	-	-	-	(30,213,802)	(30,213,802)	-
Treasury shares reserve	20.2	-	-	-	-	30,213,802	(30,213,802)	-	-	-	-	-	-
Dividend paid	28	-	-	-	-	-	(185,480,887)	-	-	-	-	(185,480,887)	-
Balance as at 31 December 2011		472,224,269	1,107,752,659	-	50,000,000	70,050,487	942,274,954	(13,515,883)	(38,558,460)	(52,074,343)	(70,050,487)	2,520,177,539	(11,986,004)

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

(Unit: Baht)

Total
shareholders'
equity
<hr/>
2,478,563,708
535,717,765
49,167,605
(39,836,685)
-
48,269,770
-
(284,496,270)
(138,284,480)
<hr/>
(4,320,090)
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<u>2,644,781,323</u>

(Unit: Baht)

Total
shareholders'
equity
<hr/>
2,644,781,323
(63,459,297)
134,627,178
7,937,020
(30,213,802)
-
(185,480,887)
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<u>2,508,191,535</u>

KCE Electronics Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Note	Separate financial statements							Total	
		Share capital issued and paid-up	Share premium	Share subscriptions received in advance	Retained earnings					
					Statutory reserve	Appropriated		Unappropriated		Treasury shares
						Reserve for treasury shares	Treasury shares			
Balance as at 31 December 2009		462,497,269	1,017,395,000	2,218,485	50,000,000	7,508,221	69,382,309	(7,508,221)	1,601,493,063	
Total comprehensive income for the year		-	-	-	-	-	1,033,640,412	-	1,033,640,412	
Ordinary shares issued during the year	20	8,570,000	42,816,090	(2,218,485)	-	-	-	-	49,167,605	
Treasury shares repurchased during the year	20.2	-	-	-	-	-	-	(39,836,685)	(39,836,685)	
Treasury shares sold during the year	20.2	-	40,761,549	-	-	(7,508,221)	7,508,221	7,508,221	48,269,770	
Treasury shares reserve		-	-	-	-	39,836,685	(39,836,685)	-	-	
Dividend paid	28	-	-	-	-	-	(138,284,480)	-	(138,284,480)	
Balance as at 31 December 2010		<u>471,067,269</u>	<u>1,100,972,639</u>	<u>-</u>	<u>50,000,000</u>	<u>39,836,685</u>	<u>932,409,777</u>	<u>(39,836,685)</u>	<u>2,554,449,685</u>	
Balance as at 31 December 2010		471,067,269	1,100,972,639	-	50,000,000	39,836,685	932,409,777	(39,836,685)	2,554,449,685	
Cumulative effect of changes in accounting policy										
for employee benefits	3	-	-	-	-	-	(36,661,462)	-	(36,661,462)	
Total comprehensive income for the year		-	-	-	-	-	257,865,285	-	257,865,285	
Ordinary shares issued during the year	20	1,157,000	6,780,020	-	-	-	-	-	7,937,020	
Treasury shares repurchased during the year	20.2	-	-	-	-	-	-	(30,213,802)	(30,213,802)	
Treasury shares reserve	20.2	-	-	-	-	30,213,802	(30,213,802)	-	-	
Dividend paid	28	-	-	-	-	-	(185,480,887)	-	(185,480,887)	
Balance as at 31 December 2011		<u>472,224,269</u>	<u>1,107,752,659</u>	<u>-</u>	<u>50,000,000</u>	<u>70,050,487</u>	<u>937,918,911</u>	<u>(70,050,487)</u>	<u>2,567,895,839</u>	

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