

KCE Electronics Public Company Limited and its subsidiaries

Statements of financial position

As at 31 March 2012 and 31 December 2011

		Consolidated		Separate	
		financial statements		financial statements	
Assets	Note	31 March 2012 (Unaudited)	31 December 2011	31 March 2012 (Unaudited)	31 December 2011
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		440,510	535,535	113,019	142,492
Short-term investments in trading securities		2,641	2,093	2,641	2,093
Trade and other receivables	5	1,562,615	1,546,420	1,062,986	1,033,393
Inventories		1,104,626	1,079,742	431,008	503,836
Insurance claim receivable	3	1,578,123	1,663,673	-	-
Other current assets		50,717	44,080	15,366	10,357
Total current assets		4,739,232	4,871,543	1,625,020	1,692,171
Non-current assets					
Investments in associates	6	77,339	82,133	3,962	2,422
Investments in subsidiaries	7	-	-	2,163,781	2,157,485
Property, plant and equipment	8	5,069,763	4,235,135	1,155,986	1,189,452
Intangible assets		104,422	86,445	73,764	61,690
Other non-current assets		3,330	2,869	2,513	2,052
Total non-current assets		5,254,854	4,406,582	3,400,006	3,413,101
Total assets		9,994,086	9,278,125	5,025,026	5,105,272

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

KCE Electronics Public Company Limited and its subsidiaries

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As at 31 March 2012 and 31 December 2011

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		31 March 2012 (Unaudited)	31 December 2011	31 March 2012 (Unaudited)	31 December 2011
<i>(in thousand Baht)</i>					
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	9	3,601,018	3,551,067	1,118,036	1,213,877
Trade and other payables	10	1,774,836	1,466,677	841,134	874,418
Current portion of liabilities under hire-purchase and finance lease liabilities		44,321	51,511	36,474	43,348
Current portion of long-term loans	11	396,148	352,564	124,106	124,727
Income tax payable		833	-	-	-
Other current liabilities		226	2,160	-	1,008
Total current liabilities		5,817,382	5,423,979	2,119,750	2,257,378
Non-current liabilities					
Liabilities under hire-purchase and finance lease agreements		17,852	23,637	11,661	19,340
Long-term loans	11	1,399,791	1,260,175	196,687	229,162
Employee benefit obligations		60,478	62,142	32,369	31,496
Total non-current liabilities		1,478,121	1,345,954	240,717	279,998
Total liabilities		7,295,503	6,769,933	2,360,467	2,537,376

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	Note	Consolidated financial statements		Separate financial statements	
		31 March 2012 (Unaudited)	31 December 2011	31 March 2012 (Unaudited)	31 December 2011
<i>(in thousand Baht)</i>					
Equity					
Share capital	12				
Authorised share capital		491,830	500,000	491,830	500,000
Issued and paid-up share capital		464,054	472,224	464,054	472,224
Premium on ordinary shares		1,045,873	1,107,753	1,045,873	1,107,753
Share warrants	12	12,380	-	12,380	-
Retained earnings					
Appropriated					
Legal reserve		50,000	50,000	50,000	50,000
Treasury shares reserve	13	-	70,050	-	70,050
Unappropriated		1,191,607	942,275	1,092,252	937,919
Other components of equity		(55,102)	(52,074)	-	-
Equity attributable to owners of the Company		2,708,812	2,590,228	2,664,559	2,637,946
Less: Treasury shares	13	-	(70,050)	-	(70,050)
Equity attributable to owners of the Company - net		2,708,812	2,520,178	2,664,559	2,567,896
Non-controlling interests		(10,229)	(11,986)	-	-
Total equity		2,698,583	2,508,192	2,664,559	2,567,896
Total liabilities and equity		9,994,086	9,278,125	5,025,026	5,105,272

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

KCE Electronics Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month periods ended 31 March 2012 and 2011 (Unaudited)

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in thousand Baht)</i>					
Income	4				
Revenue from sale of goods and rendering of services		1,345,188	1,865,550	940,759	870,244
Compensation from insurance claim	3	186,000	17,000	-	-
Other income	15	108,006	98,585	38,100	31,070
Total income		1,639,194	1,981,135	978,859	901,314
Expenses	4				
Cost of sale of goods and rendering of services		1,089,078	1,526,098	767,891	672,460
Selling expenses		99,423	135,491	63,309	61,668
Administrative expenses		225,059	125,250	49,530	47,588
Finance costs		40,165	41,314	13,846	10,283
Total expenses		1,453,725	1,828,153	894,576	791,999
Share of loss from investments in associates	6	(3,306)	(588)	-	-
Profit before income tax		182,163	152,394	84,283	109,315
Income tax expense	16	(1,124)	(1,549)	-	-
Profit for the period		181,039	150,845	84,283	109,315
Other comprehensive income					
Foreign currency translation differences for foreign operations	6	(3,028)	2,230	-	-
Other comprehensive income for the period, net of income tax		(3,028)	2,230	-	-
Total comprehensive income for the period		178,011	153,075	84,283	109,315

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

KCE Electronics Public Company Limited and its subsidiaries**Statements of comprehensive income****For the three-month periods ended 31 March 2012 and 2011 (Unaudited)**

		Consolidated financial		Separate financial	
		statements		statements	
	<i>Note</i>	2012	2011	2012	2011
		<i>(in thousand Baht)</i>			
Profit attributable to:					
Owners of the Company		179,282	152,169	84,283	109,315
Non-controlling interests		1,757	(1,324)	-	-
Profit for the period		181,039	150,845	84,283	109,315
Total comprehensive income attributable to:					
Owners of the Company		176,254	154,399	84,283	109,315
Non-controlling interests		1,757	(1,324)	-	-
Total comprehensive income for the period		178,011	153,075	84,283	109,315
Earnings per share					
Basic earnings per share <i>(in Baht)</i>	17	0.39	0.33	0.18	0.24
Diluted earnings per share <i>(in Baht)</i>	17	0.39	0.33	0.18	0.24

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KCE Electronics Public Company Limited and its subsidiaries

Statements of cash flows

For the three-month periods ended 31 March 2012 and 2011 (Unaudited)

	Consolidated financial		Separate financial	
	statements		statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	181,039	150,845	84,283	109,315
<i>Adjustments for</i>				
Share of loss from investments in associates	3,306	588	-	-
Depreciation	111,184	143,589	38,791	40,287
Amortisation	2,332	1,983	1,302	942
Allowance for doubtful accounts - trade accounts receivable	-	89	-	88
Allowance (reversal) of net realisable value of inventories	(2,989)	6,092	(3,716)	1,744
Gain on disposals of equipment	(154)	(1,352)	(51)	(8)
Loss from write-off of equipment	550	7,741	123	62
Reversal of allowance for impairment on fixed assets	-	(8,128)	-	-
Provision for long-term employee benefits	1,960	1,986	872	877
Unrealised gain on exchange rate	(66,060)	(6,272)	(15,948)	(4,874)
Unrealised loss (gain) from hedging activities	(6,515)	(9,643)	(2,118)	2,262
Share-based payment transactions	12,380	-	6,085	-
Unrealised loss (gain) on revaluation of investments in trading securities	(549)	(25)	(549)	(25)
Interest expense	38,373	38,546	13,258	9,755
Income tax expense	1,124	1,549	-	-
	<u>275,981</u>	<u>327,588</u>	<u>122,332</u>	<u>160,425</u>
<i>Changes in operating assets and liabilities</i>				
Trade and other receivables	(13,479)	(283,620)	(29,399)	(132,318)
Insurance claim receivable	85,550	(754)	-	-
Inventories	(21,895)	(280,766)	76,544	(14,410)
Other current assets	(4,348)	(10,344)	(4,691)	(3,511)
Other non-current assets	307	490	307	730
Trade and other payables	54,569	511,160	(32,852)	95,455
Other current liabilities	(1,934)	(214)	(1,009)	2,247
Employee benefit obligations	(3,624)	(1,778)	-	(1,778)
Cash generated from operating activities	<u>371,127</u>	<u>261,762</u>	<u>131,232</u>	<u>106,840</u>
Income tax paid	<u>(2,289)</u>	<u>(1,164)</u>	<u>(318)</u>	<u>(293)</u>
Net cash from operating activities	<u>368,838</u>	<u>260,598</u>	<u>130,914</u>	<u>106,547</u>

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KCE Electronics Public Company Limited and its subsidiaries

Cash flow statements

For the three-month periods ended 31 March 2012 and 2011 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Cash paid for additional investments in associate	(1,540)	-	(1,540)	-
Proceeds from disposals of equipment	387	1,694	266	-
Purchases of equipment	(239,304)	(73,361)	(3,396)	(21,419)
Purchases of computer software	(20,309)	(6,266)	(10,976)	(1,169)
Net cash used in investing activities	(260,766)	(77,933)	(15,646)	(22,588)
<i>Cash flows from financing activities</i>				
Interest paid	(33,539)	(35,966)	(11,825)	(9,430)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(375,441)	36,628	(93,047)	19,078
Repayment of liabilities under hire-purchase and finance lease agreements	(17,602)	(27,810)	(14,553)	(25,290)
Proceed from long-term loans	300,000	-	-	-
Repayment of long-term loans	(76,515)	(104,893)	(25,316)	(13,120)
Proceed from capital increase and warrants exercised	-	4,884	-	4,884
Purchase of treasury shares	-	(30,213)	-	(30,213)
Net cash used in financing activities	(203,097)	(157,370)	(144,741)	(54,091)
Net increase (decrease) in cash and cash equivalents	(95,025)	25,295	(29,473)	29,868
Cash and cash equivalents at 1 January	535,535	143,178	142,492	21,020
Cash and cash equivalents at 31 March	440,510	168,473	113,019	50,888

Non-cash transactions

1) Non-cash related transaction for operating activities				
Increase in employee benefit obligations	-	63,459	-	36,662
2) Non-cash related transactions for investing activities				
Net increase in other receivable from disposals of machinery and equipment	-	-	41	69
Net increase in trust receipts from purchases of machinery and equipment	430,700	2,691	-	5,353
Net increase (decrease) in other account payable from purchases of machinery and equipment	259,475	(33,261)	5,917	(9,134)
3) Non-cash related transaction for financing activities				
Assets acquired under hire-purchase and finance lease agreements	(6,871)	-	(11,500)	-

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KCE Electronics Public Company Limited and its subsidiaries
Statements of changes in equity
For the three-month periods ended 31 March 2012 and 2011 (Unaudited)

Consolidated financial statements														
	Note	<u>Retained earnings</u>					<u>Other components of shareholders' equity</u>					Total equity		
		Issued and paid-up share capital	Share premium	Share warrants	Legal reserve	Treasury shares reserve	Unappropriated	Translation adjustments	Excess of investments arising from additional purchases of investments in subsidiaries at a price higher than the net book value of the subsidiaries at the acquisition date				Total other components of equity	Treasury shares
Balance at 1 January 2011		471,067	1,100,973	-	50,000	39,837	1,025,949	(19,192)	(38,558)	(57,750)	(39,837)	2,590,239	(8,916)	2,581,323
Transactions with owners, recorded directly in equity														
<i>Contributions by and distributions to owners of the Company</i>														
Issue of ordinary shares		712	4,172	-	-	-	-	-	-	-	-	4,884	-	4,884
Treasury shares purchased		-	-	-	-	-	-	-	-	-	(30,213)	(30,213)	-	(30,213)
Reserve for treasury shares		-	-	-	-	30,213	(30,213)	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company		712	4,172	-	-	30,213	(30,213)	-	-	-	(30,213)	(25,329)	-	(25,329)
Comprehensive income for the period														
Profit or loss		-	-	-	-	-	152,169	-	-	-	-	152,169	(1,324)	150,845
Other comprehensive income		-	-	-	-	-	2,230	-	-	2,230	-	2,230	-	2,230
Total comprehensive income for the period		-	-	-	-	-	152,169	2,230	-	2,230	-	154,399	(1,324)	153,075
Balance at 31 March 2011		471,779	1,105,145	-	50,000	70,050	1,147,905	(16,962)	(38,558)	(55,520)	(70,050)	2,719,309	(10,240)	2,709,069

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KCE Electronics Public Company Limited and its subsidiaries
Statements of changes in equity
For the three-month periods ended 31 March 2012 and 2011 (Unaudited)

	Consolidated financial statements													
	Note	Issued and paid-up share capital	Share premium	Share warrants	Retained earnings			Other components of shareholders' equity			Equity attributable to owners of the Company	Non-controlling interests	Total equity	
Legal reserve					Treasury shares reserve	Unappropriated	Translation adjustments	Excess of investments arising from additional purchases of investments in subsidiaries at a price higher than the net book value of the subsidiaries at the acquisition date	Total other components of equity	Treasury shares				
Balance at 1 January 2012		472,224	1,107,753	-	50,000	70,050	942,275	(13,516)	(38,558)	(52,074)	(70,050)	2,520,178	(11,986)	2,508,192
Transactions with owners, recorded directly in equity														
<i>Contributions by and distributions to owners of the Company</i>														
Reduction of ordinary shares	12	(8,170)	(61,880)	-	-	-	-	-	-	-	70,050	-	-	-
Reserve for treasury shares	13	-	-	-	-	(70,050)	70,050	-	-	-	-	-	-	-
Share-based payment transactions	12	-	-	12,380	-	-	-	-	-	-	-	12,380	-	12,380
Total contributions by and distributions to owners of the Company		(8,170)	(61,880)	12,380	-	(70,050)	70,050	-	-	-	70,050	12,380	-	12,380
Comprehensive income for the period														
Profit or loss		-	-	-	-	-	179,282	-	-	-	-	179,282	1,757	181,039
Other comprehensive income		-	-	-	-	-	-	(3,028)	-	(3,028)	-	(3,028)	-	(3,028)
Total comprehensive income for the period		-	-	-	-	-	179,282	(3,028)	-	(3,028)	-	176,254	1,757	178,011
Balance at 31 March 2012		464,054	1,045,873	12,380	50,000	-	1,191,607	(16,544)	(38,558)	(55,102)	-	2,708,812	(10,229)	2,698,583

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KCE Electronics Public Company Limited and its subsidiaries
Statements of changes in equity
For the three-month periods ended 31 March 2012 and 2011 (Unaudited)

	Note	Issued and paid-up share capital	Share premium	Share warrants	Separate financial statements			Total equity	
					Retained earnings				
					Legal reserve	Appropriated Treasury shares reserve	Unappropriated Treasury shares		
<i>(in thousand Baht)</i>									
Balance at 1 January 2011		471,067	1,100,973	-	50,000	39,837	895,748	(39,837)	2,517,788
Transactions with owners, recorded directly in equity									
<i>Contributions by and distributions to owners of the Company</i>									
Issue of ordinary shares		712	4,172	-	-	-	-	-	4,884
Treasury shares purchased		-	-	-	-	-	-	(30,213)	(30,213)
Reserve for treasury shares		-	-	-	-	30,213	(30,213)	-	-
Total contributions by and distributions to owners of the Company		712	4,172	-	-	30,213	(30,213)	(30,213)	(25,329)
Comprehensive income for the period									
Profit or loss		-	-	-	-	-	109,315	-	109,315
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	109,315	-	109,315
Balance at 31 March 2011		471,779	1,105,145	-	50,000	70,050	974,850	(70,050)	2,601,774

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Statements of changes in equity
For the three-month periods ended 31 March 2012 and 2011 (Unaudited)

	Note	Issued and paid-up share capital	Share premium	Share warrants	Separate financial statements			Total equity	
					Retained earnings				
					Legal reserve	Appropriated Treasury shares reserve	Unappropriated Treasury shares		
<i>(in thousand Baht)</i>									
Balance at 1 January 2012		472,224	1,107,753	-	50,000	70,050	937,919	(70,050)	2,567,896
Transactions with owners, recorded directly in equity									
<i>Contributions by and distributions to owners of the Company</i>									
Reduction of ordinary shares	12	(8,170)	(61,880)	-	-	-	-	70,050	-
Reserve for treasury shares	13	-	-	-	-	(70,050)	70,050	-	-
Shared-based payment transactions	12	-	-	12,380	-	-	-	-	12,380
Total contributions by and distributions to owners of the Company		(8,170)	(61,880)	12,380	-	(70,050)	70,050	70,050	12,380
Comprehensive income for the period									
Profit or loss		-	-	-	-	-	84,283	-	84,283
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	84,283	-	84,283
Balance at 31 March 2012		464,054	1,045,873	12,380	50,000	-	1,092,252	-	2,664,559

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